Mt Fort Advisers -
"Compendium of interesting charts"

A social crisis in the making?

November 2026

We are delighted to publish a new edition of our **"Compendium of interesting charts"**, following the first edition released in 2022, while we were still battling the COVID pandemic. The purpose of this compendium is to provide a high-level, accessible overview of some of the key trends shaping our world and our lives, and to highlight a number of surprising and lesser-known facts. These charts provide valuable insight as we form our views and shape our longer-term investment strategy.

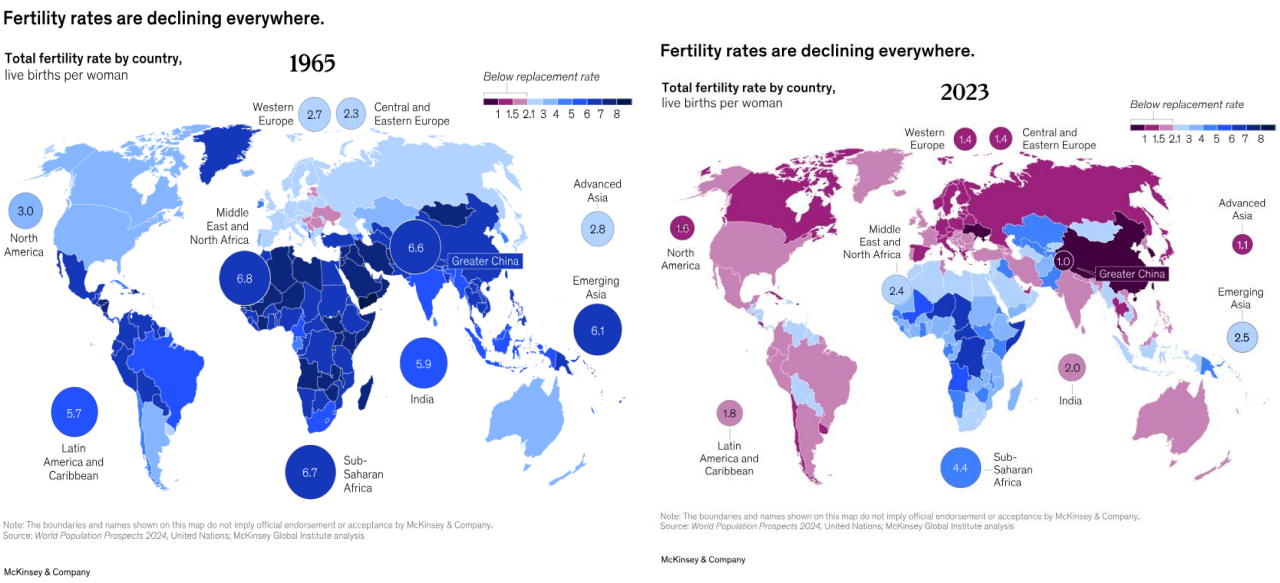
While it is tempting to dive straight into the hot topics of the moment, such as artificial intelligence and robotics, or trade wars and tariffs, we thought it useful to step back and look at the major trends affecting our lives: how many of us there are and how old we are, what we owe, the climate and the energy we depend on, the digital world we live in, our health and security, and how the fruits of growth are shared. Taken together, they prompt the question in our title: "A social crisis in the making?"

We start with some essential **demographic developments**.

Fewer births, longer lives

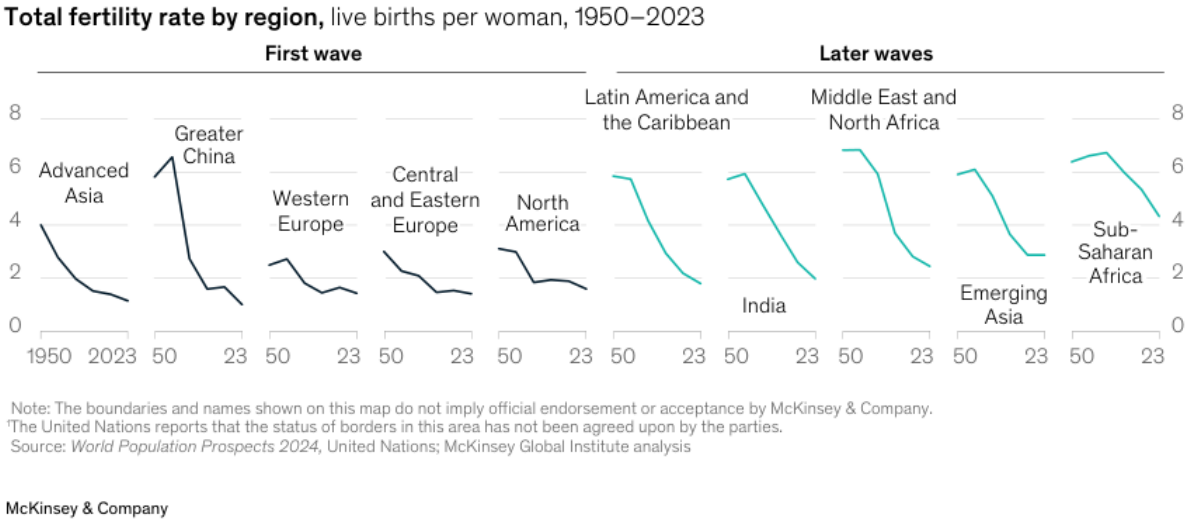
People are having **fewer children**. Fertility rates have been declining globally for half a century. In roughly two generations (about 60 years), they dropped from 2.7 to 1.4 in Western Europe, from 3.0 to 1.6 in North America, from 6.6 to 1.0 in Greater China, from 5.9 to 2.0 in India, and from 6.8 to 2.4 in the Middle East and North Africa (MENA).

The comparative maps below, published by the McKinsey Global Institute, show fertility rates across regions in 1965 and in 2023:



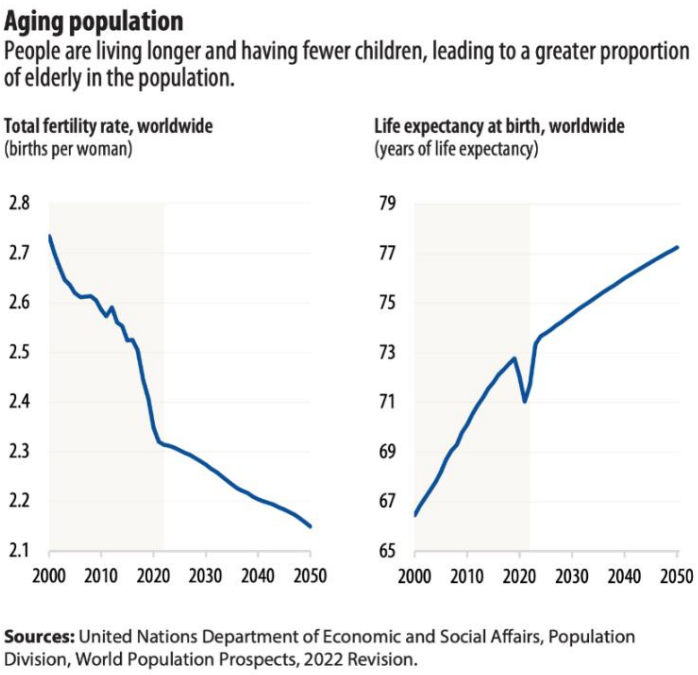
The fall in fertility rates is unambiguous **across all regions** and has progressed in **three successive waves**:

1. The first wave includes Greater China, Advanced Asia, North America, Western Europe, and Central and Eastern Europe.
2. The second wave includes Latin America and the Caribbean, MENA, Emerging Asia and India.
3. The last wave includes Sub-Saharan Africa.

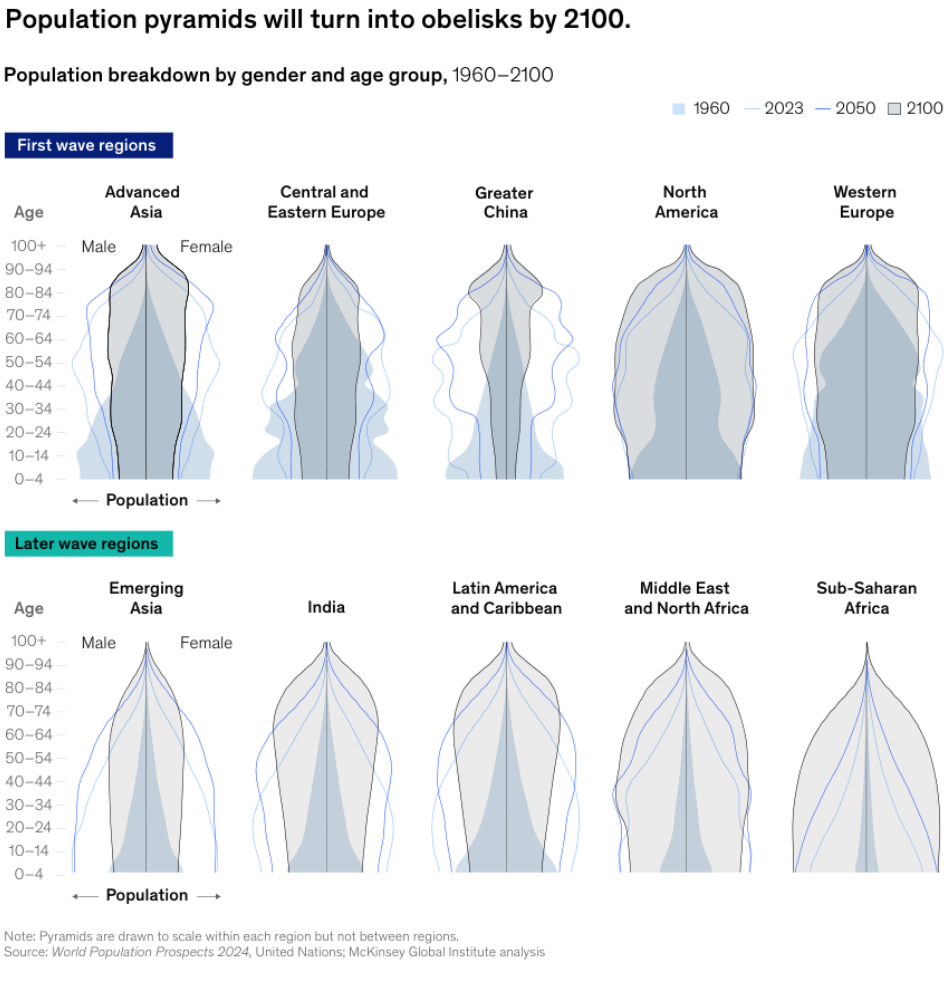


According to the United Nations, the global fertility rate, currently about **2.2 births per woman**, is projected to **keep falling** and to reach the **replacement level** of around **2.1** by **mid-century**.

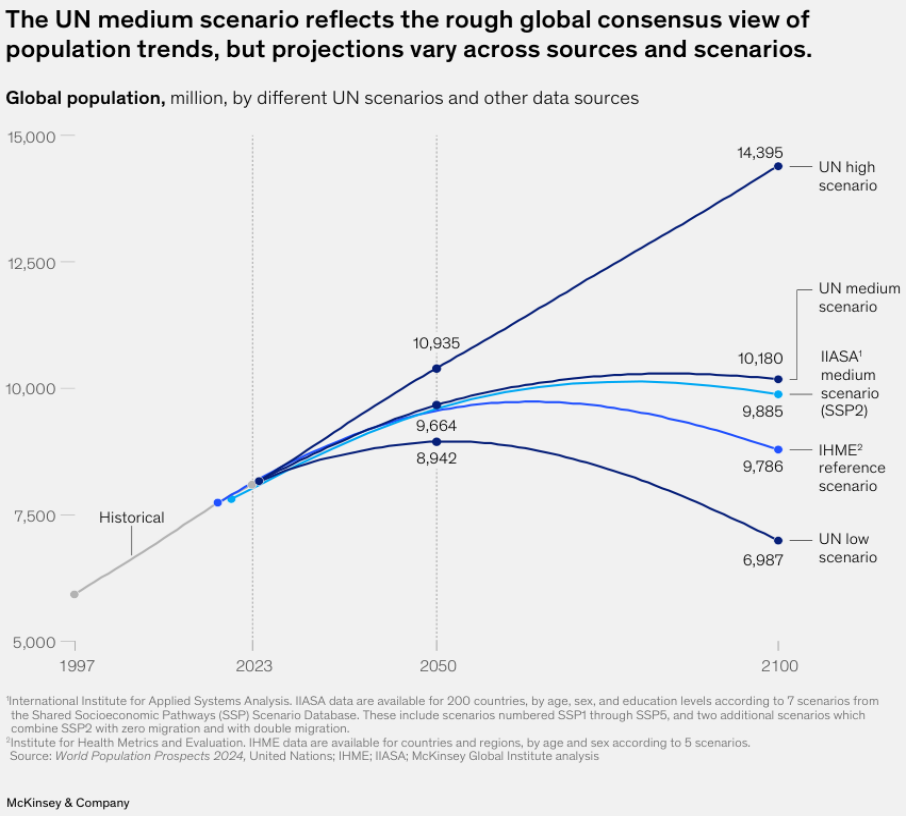
At the same time, **people are living longer**: life expectancy at birth is expected to exceed 77 years by 2050, as illustrated below with data from the UN Department of Economic and Social Affairs:



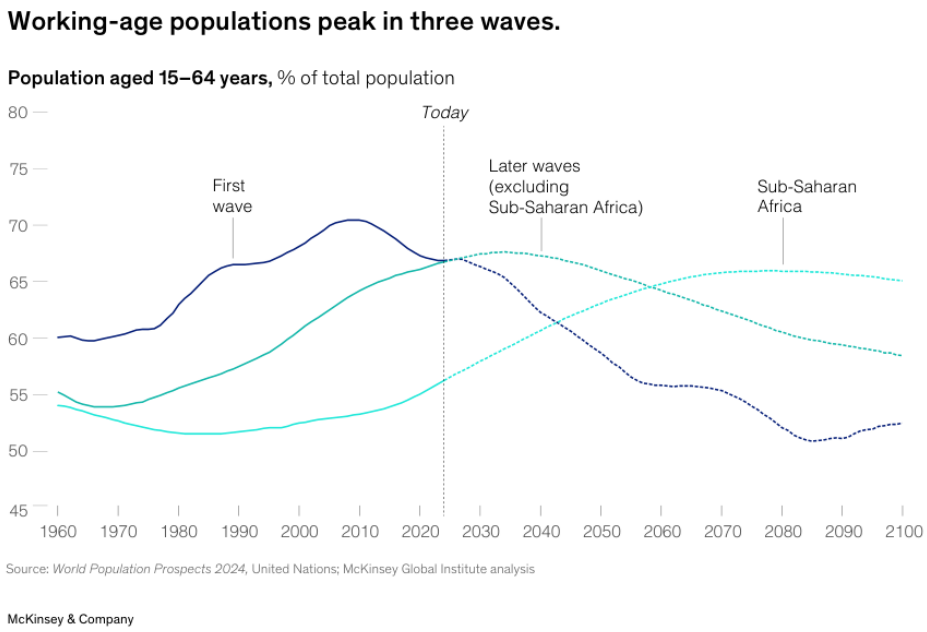
The consequence is well known: the population is **ageing**. Age structures are turning from pyramids into obelisks, as the young population shrinks and the older population expands:



With two-thirds of humanity living in countries where fertility is below the replacement rate of 2.1 children per woman, the **population** of some major economies is expected to **fall** by 20% to 50% by 2100, based on UN projections. The **world population** is projected to **peak** at around **10 billion** and, under most scenarios, to be **declining by 2100**:

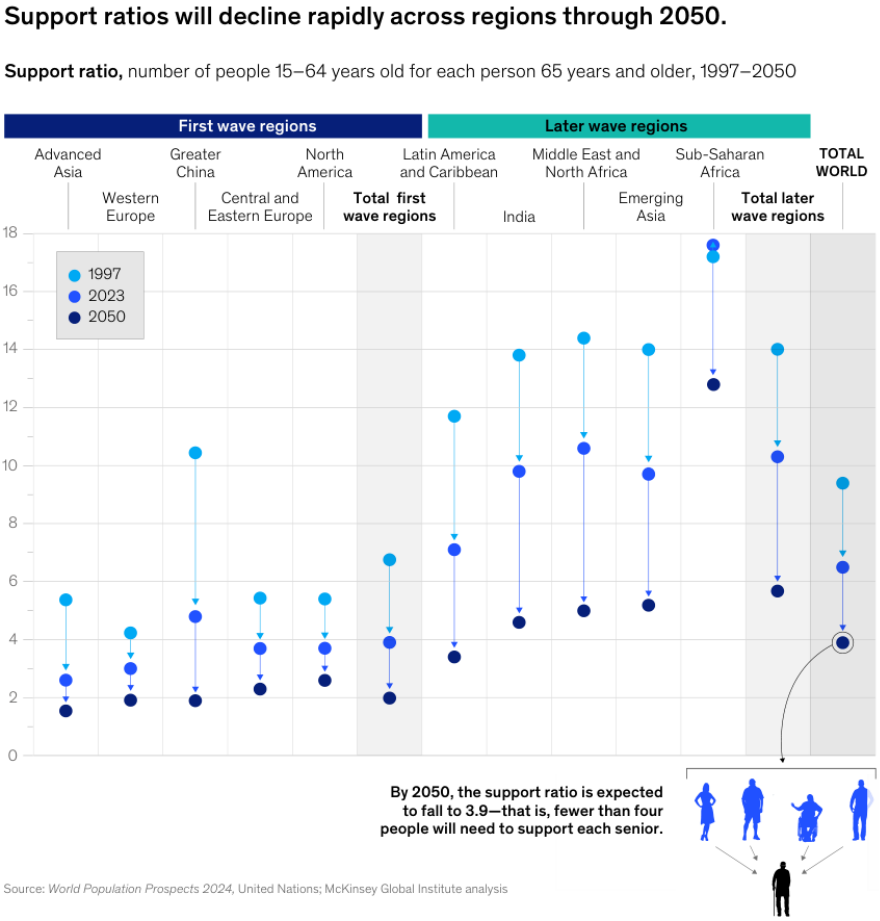


The turning point has already been passed in the first-wave regions, where the **share of the population of working age** peaked around 2010 and is now falling, and where countries such as China, Japan, Italy and South Korea already have shrinking populations. The later waves will follow over the coming decades, with Sub-Saharan Africa last:

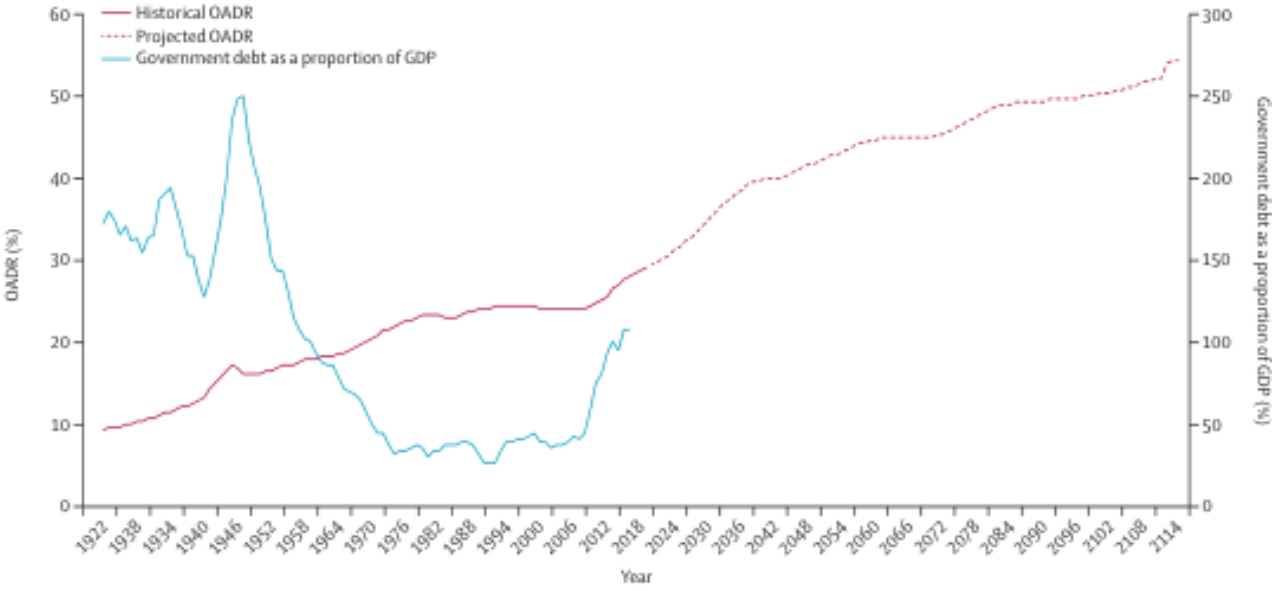


The cost of ageing

With a shrinking workforce, the **burden** on the **active** population of providing for older generations is **increasing**. According to McKinsey, the **global support ratio**, the number of people of working age per senior, is expected to **fall** from **9.5** in 1997 and **6.5** today to **3.9 by 2050**:



The Lancet charts below show the increase in the **old-age dependency ratio** (OADR) in the **UK**, which has risen from about **10%** in the **1920s** to around **30% today** and is projected to reach circa **50% by 2100**:

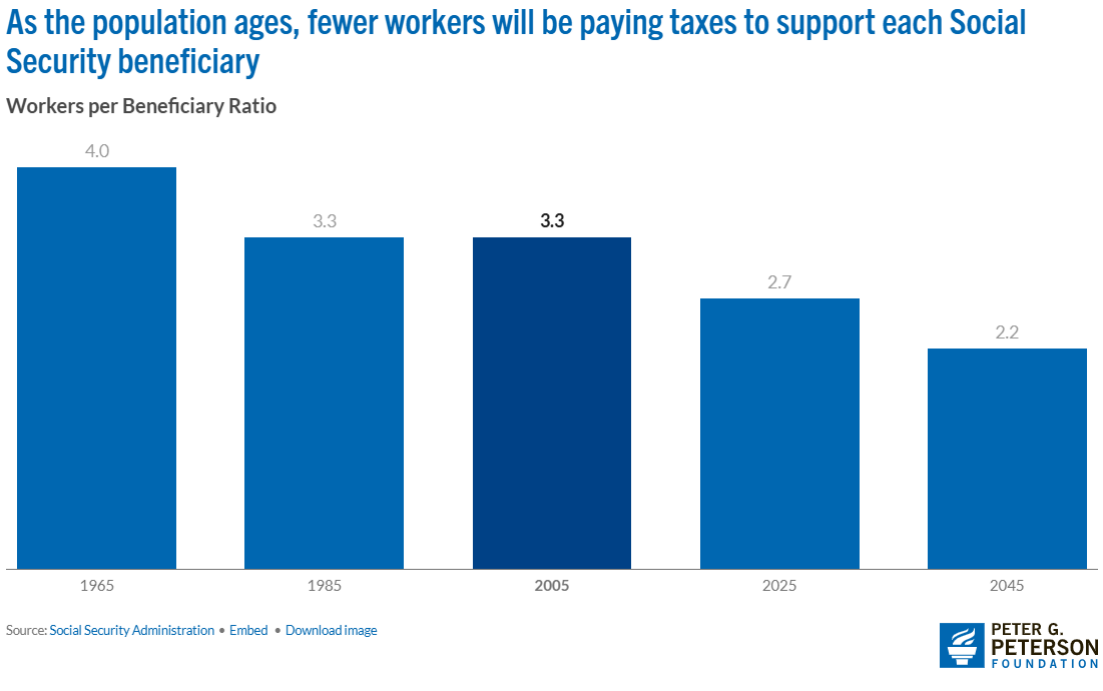


The second chart below shows the gradual increase in **health expenditure** as a percentage of GDP. It broadly tracked the OADR for decades, but has been outpacing it since the early 2000s:

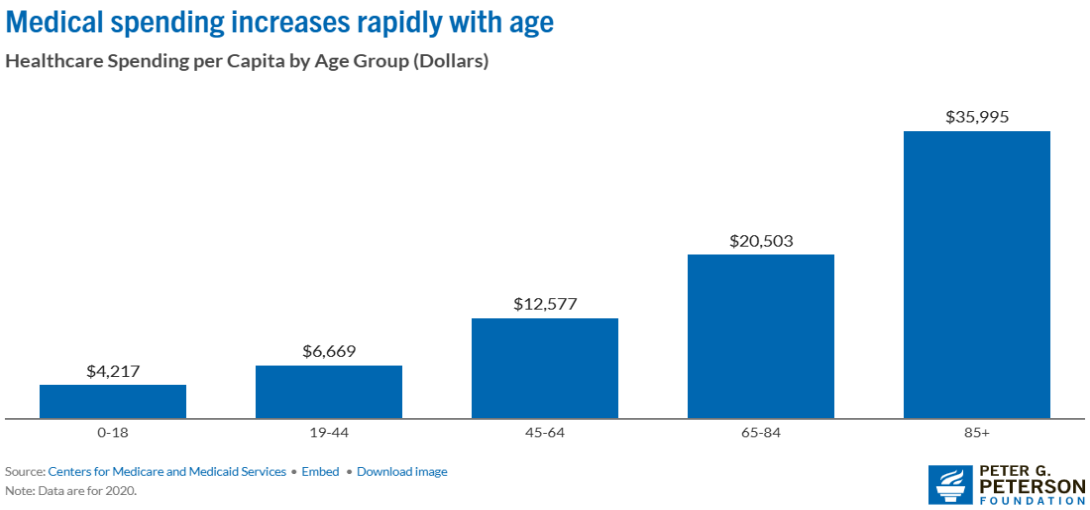


Figure 1: **OADR and macroeconomic trends**
(A) Historical and projected OADR and government debt as a percentage of GDP in the UK from 1922 to 2114. (B) OADR, GDP growth trend, and annual health expenditure in the UK from 1922 to 2018. Historical OADRs were calculated by the author by dividing the number of people aged 65 years or older by the number of people aged 20–64 years, using data from the Human Mortality Database.[2] Projected OADRs were calculated in the same way, using ONS population projections from 2019.[3] Data for government debt were taken from Ellison and Scott (2020).[4] GDP data are from the Bank of England.[5] GDP growth was calculated as a 10-year moving average using Bank of England data.[5] Health expenditure was based on Bank of England data (not available for all years).[6] GDP=gross domestic product. OADR=old-age dependency ratio. ONS=UK Office for National Statistics.

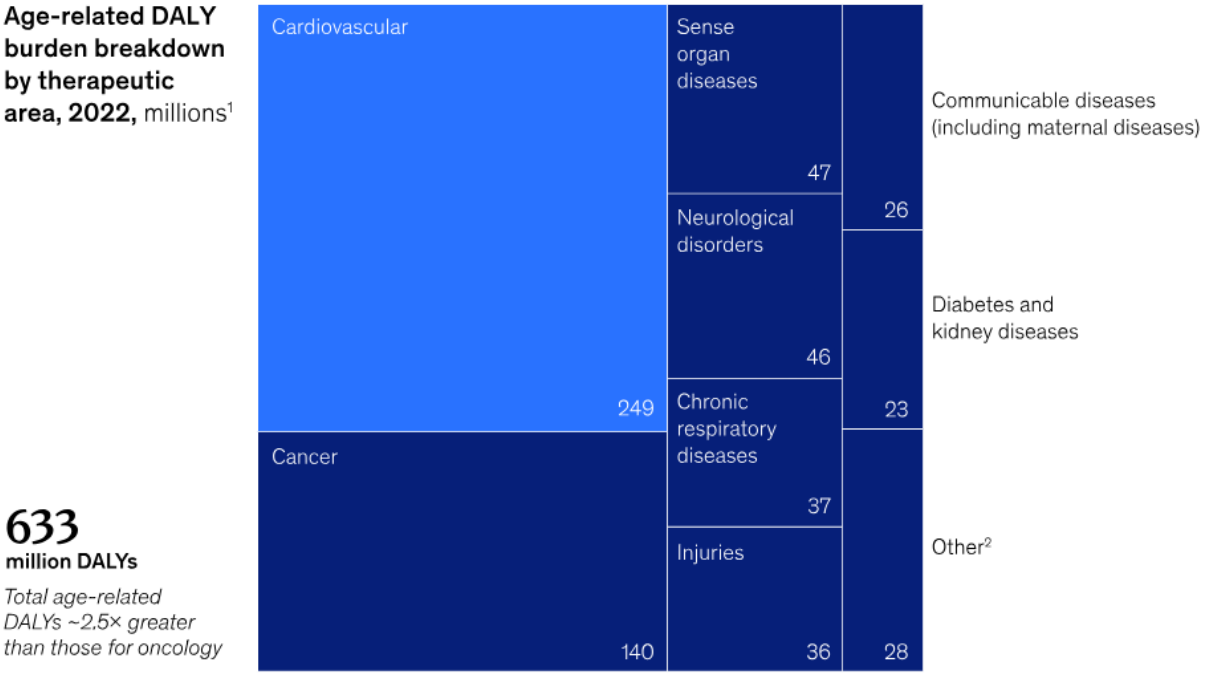
In the **US**, the same trend is undermining the financing of Social Security. The number of workers per beneficiary dropped from 4.0 in 1965 to 2.7 in 2025, and is expected to fall further to about 2.2 by 2045:



Medical spending, meanwhile, rises steeply with age: in the US, spending per person almost triples between the 45–64 age group and the over-85s:

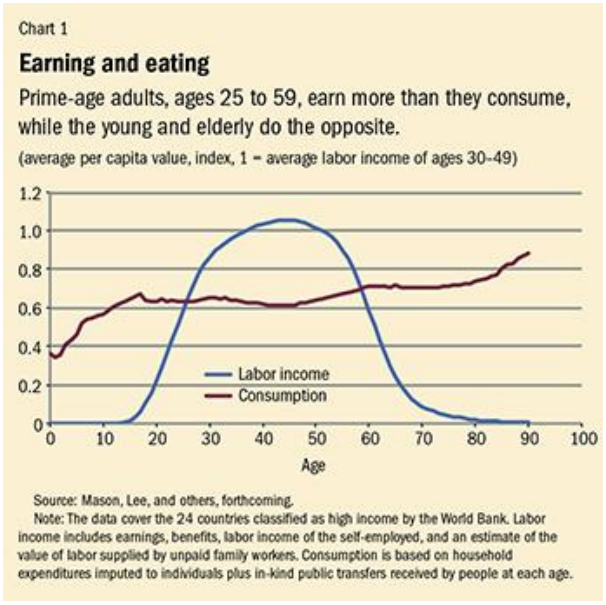


More than the quest for longevity (lifespan), it is **health span**, the number of years spent in good health, that should become the primary focus of ageing societies. Almost **15%** of the global **population** is expected to be **65 or older** by **2040**, up from about 10% today. **Age-related diseases** account for **one-third** of the total global burden of disease, approximately **633 million** disability-adjusted life years (DALYs) annually, according to the McKinsey Health Institute. Halving this burden could prevent early deaths, improve health in later life and potentially add **$2 trillion** to annual **GDP** through increased workforce participation:



Note: Figures do not sum to total, because of rounding.
[1]DALYs = disability-adjusted life years. Calculated from taking DALYs of 92 age-related diseases outlined in Keller paper, excluding age groups <5 (eg, maternal and neonatal disorders) and removing non-age-related DALYs attributed to environmental and occupational factors (eg, pollution, chemical exposure), DALYs attributed to selected behavioral factors (eg, smoking, alcohol abuse), and remaining baseline non-age-related DALYs (for ages <40).
[2]Includes digestive diseases, skin and subcutaneous diseases, and other noncommunicable diseases.
Source: *Global Burden of Disease 2021: Findings from the GBD 2021 study*, Institute for Health Metrics and Evaluation, May 16, 2024; D. Scott Kehler, "Age-related disease burden as a measure of population ageing," *Lancet Public Health*, March 2019, Volume 4, Number 3; McKinsey Health Institute analysis

The macroeconomic stakes are considerable. According to the McKinsey Global Institute, in the **first-wave countries** GDP per capita growth could **slow by 0.4 percentage points per year** on average between 2023 and 2050, and by up to 0.8 percentage points in some countries, unless **productivity growth increases two- to four-fold** or people **work one to five hours more per week**. Retirement systems might need to channel as much as **50% of labour income** to fund a 1.5-fold increase in the gap between the aggregate **consumption and income of seniors**. The chart below shows why: prime-age adults earn more than they consume, while the young and the elderly do the opposite:



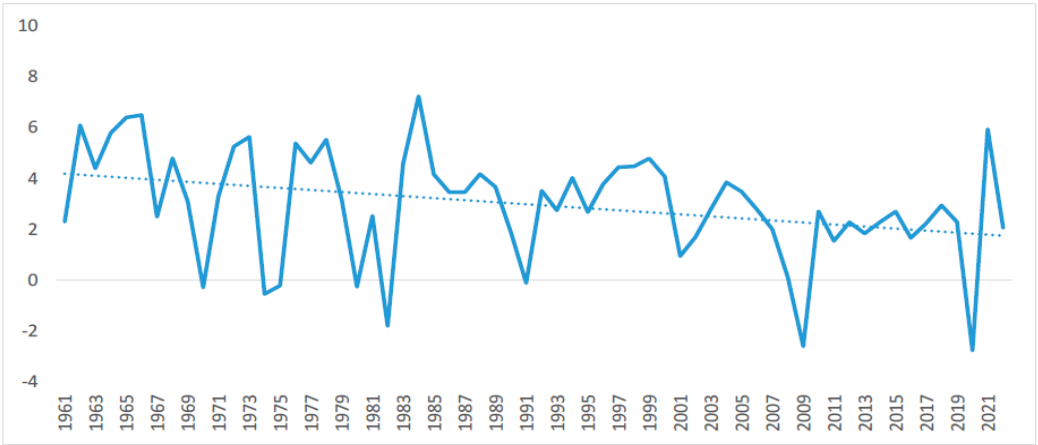
In **China**, the share of the population of **working age** will fall from 67% today to **59%** in 2050.

Globally, consumers as well as workers will be older: **seniors** will account for **one-quarter of global consumption by 2050**, double their share in 1997.

Slower growth is not a distant prospect. Real GDP growth in the US has been on a declining trend for the past 60 years:

EXHIBIT 2: **Real GDP growth has been volatile but declining over the past 60 years**

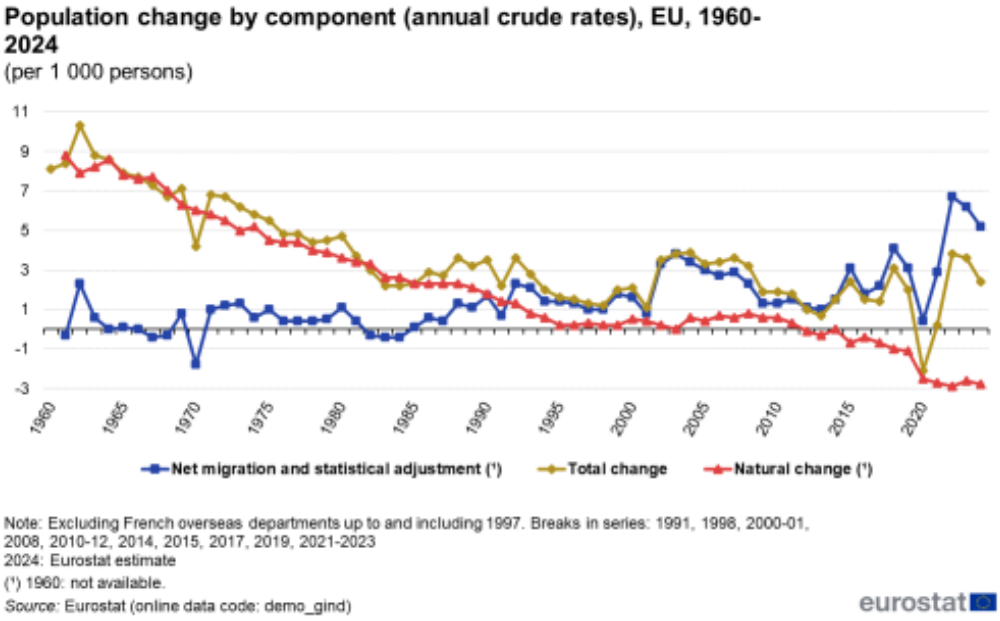
US annual real GDP growth



Source: World Bank, Bernstein Analysis

A combination of **higher productivity**, **more work per person**, **effective migration** and **higher fertility rates** can preserve prosperity. None of these levers will be enough on its own, however, and each presents challenges. Bending the demographic trajectory will require societies to rethink existing systems of work and retirement in ways that may compel a change in our **social contract**, which is no easy feat.

Migration is already doing much of the work in Europe. Net immigration has been the main driver of population growth in the EU since the 1990s:



Eurostat reports that the EU's natural population change turned negative in 2012. In 2024, a natural decrease of about 1.3 million was more than offset by net migration of about 2.3 million, producing overall population growth of almost **1.1 million**.

Can **AI**, through **automation** and **robotisation**, offset the productivity losses typically associated with ageing? Research suggests that some countries, notably South Korea and Japan, have successfully mitigated labour shortages by deepening **capital** and **investing** in **automation**:

Figure 13. GDP per Capita vs Population Aging

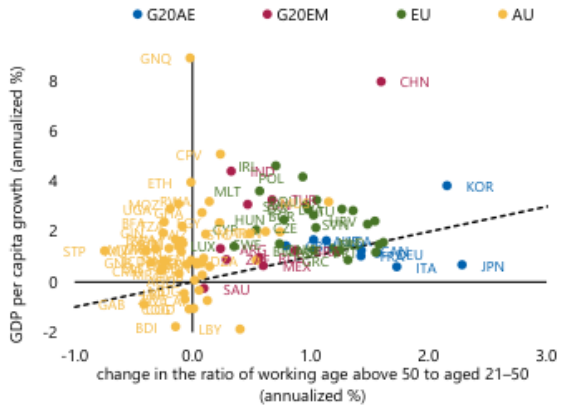
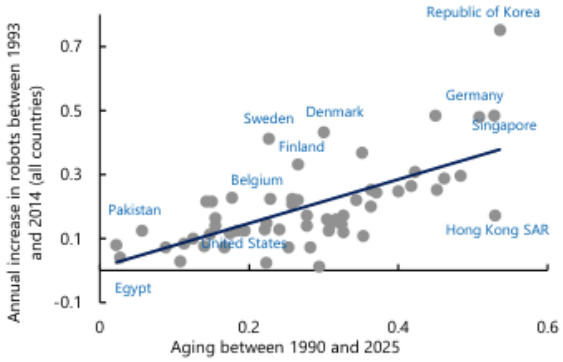
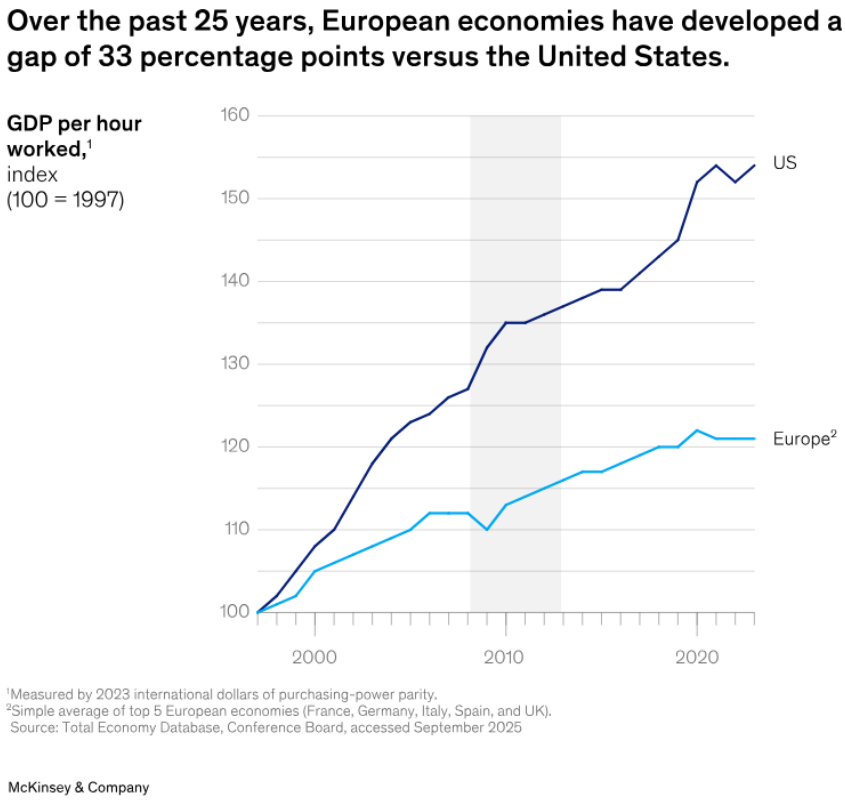


Figure 14. Population Aging vs Robot Adoption



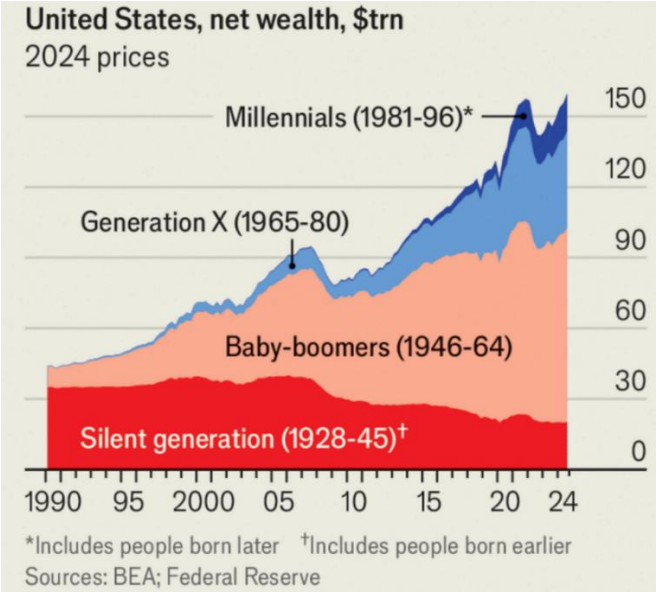
Sources: Acemoglu and Restrepo (2021); ILOSTAT; World Bank, World Development Indicators; and IMF staff calculations.
Notes: AE = Advanced Economics; AU = African Union; EM = Emerging Markets; EU = European Union.

Productivity is precisely where **Europe** has fallen behind: over the past 25 years, a **productivity gap** of 33 percentage points has opened up between the US and Europe:

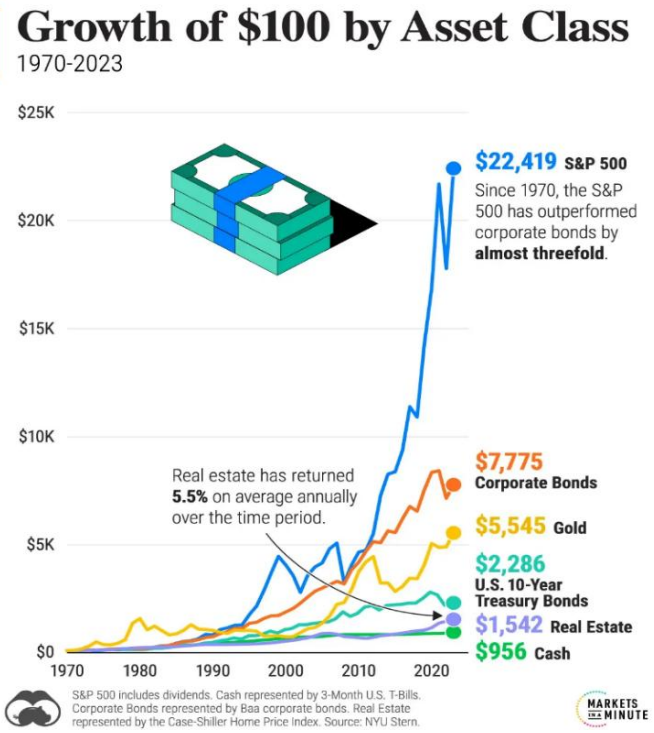


The great wealth transfer

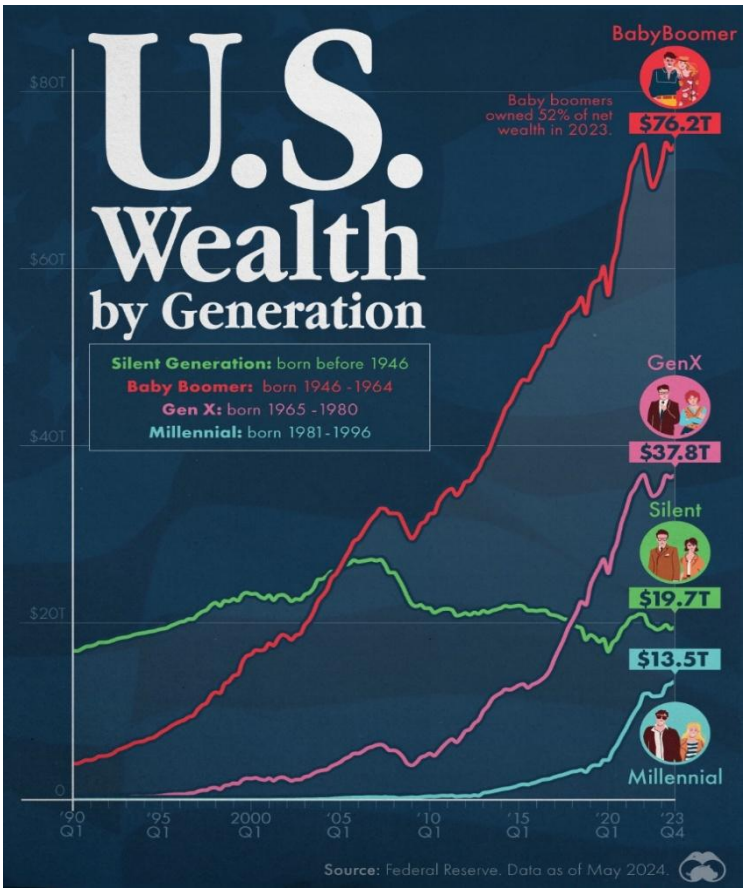
Beyond its effects on labour markets and healthcare spending, population ageing is also setting the stage for a **major financial transition**. In the US, the "silent generation" and the "baby boomers" together own close to **two-thirds** of net household **wealth**, or circa **$100 trillion**, most of which is set to pass to their heirs by 2048:



This **wealth** has grown with **financial markets** over the past 40 years. Americans aged 70 and over hold close to **40% of US equities and mutual fund shares**, according to Federal Reserve data, as well as a significant share of residential real estate, and it remains uncertain whether their heirs will have the same investment preferences:



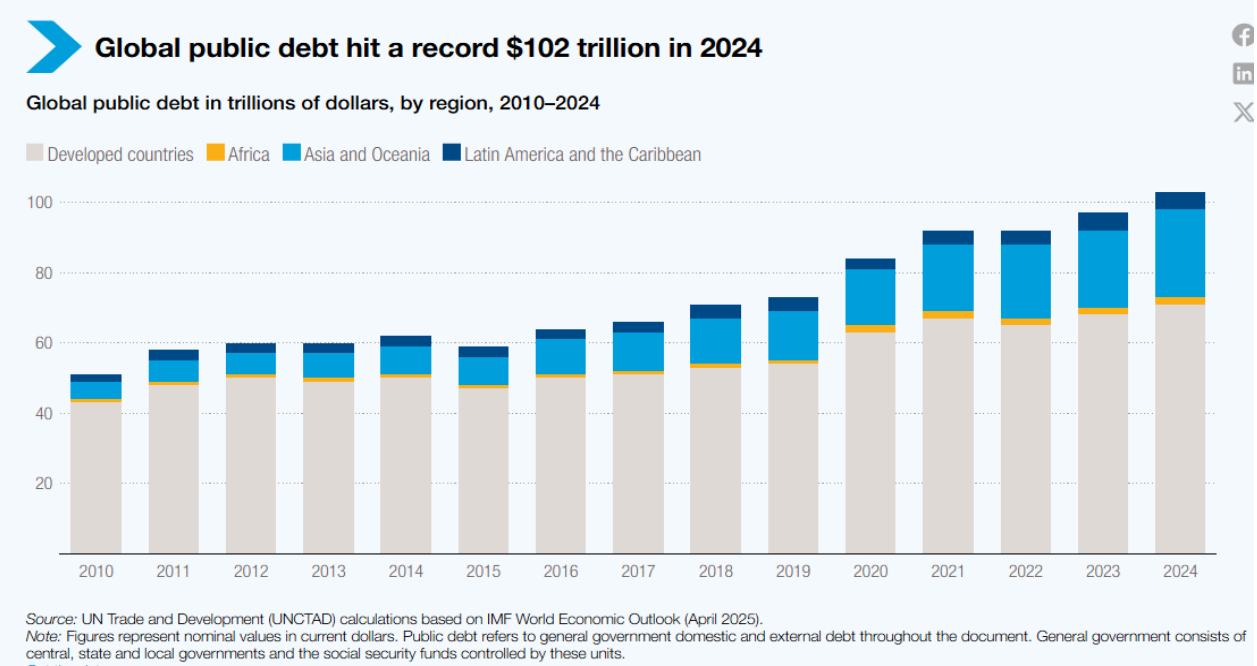
The chart below shows the same wealth breakdown by **generation**:



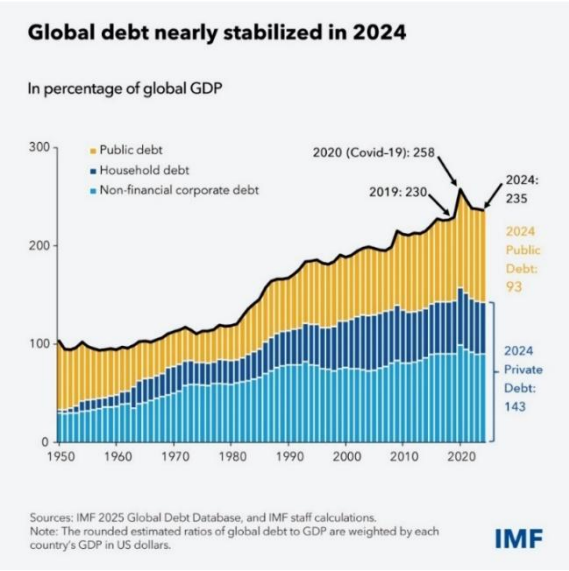
Younger generations may inherit **significant wealth**, but they will also inherit several **critical challenges**. As discussed above, the **social contract** between generations will be put to the test as **support ratios** fall. The following sections look at the others: public debt, climate change, the energy transition, the digital environment in which they are growing up, their health and their security.

A mounting debt burden

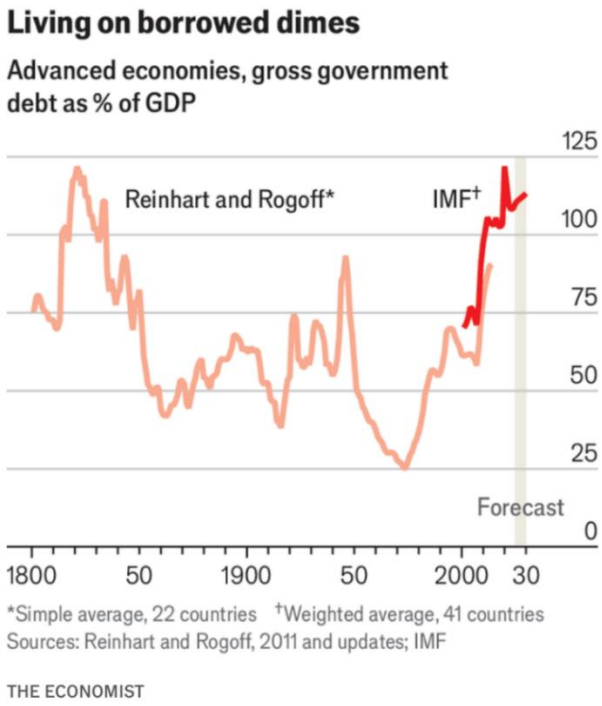
The first of these is the continuing rise in **global public debt**, which reached a record **$102 trillion in 2024**. The increase was accelerated by the COVID pandemic, and debt has been growing fastest in developing countries:



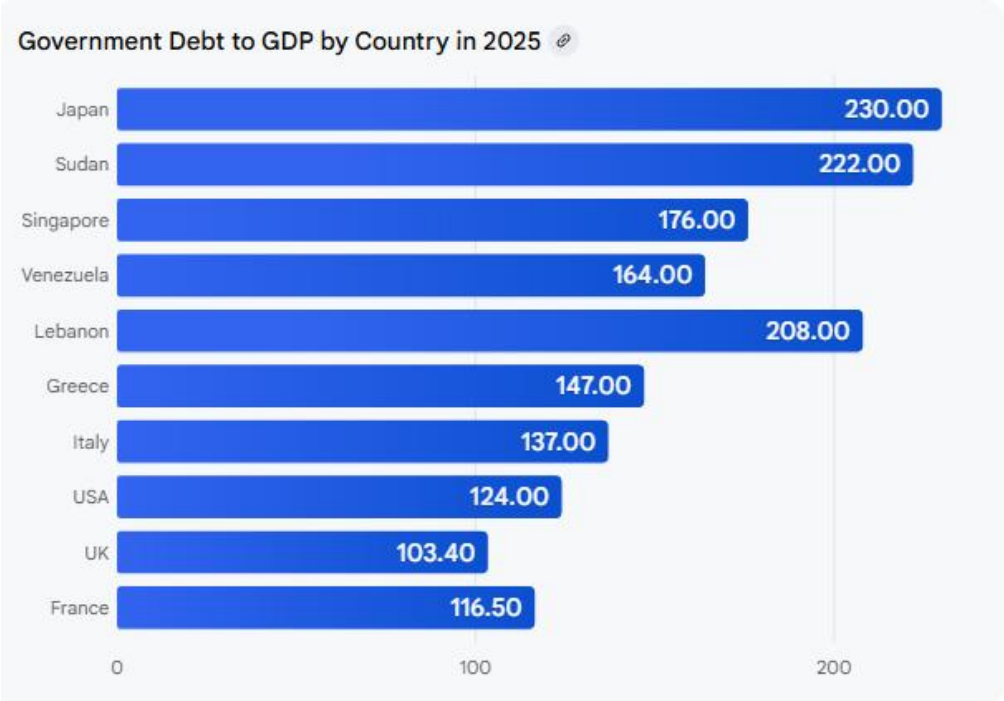
Total global debt, public and private, has at least stabilised at around 235% of global GDP, down from a **peak** of 258% in **2020**, thanks to a slight **decline** in **private debt** to 143% of GDP. Public debt, at circa 93% of GDP in 2024, continues to rise:



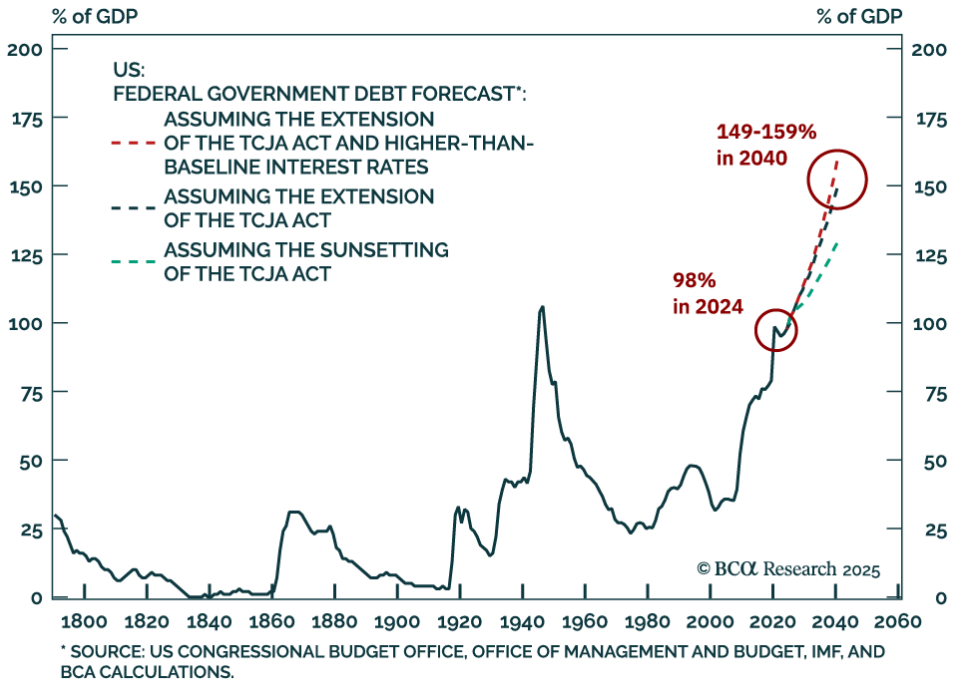
The IMF's April 2026 Fiscal Monitor puts global public debt at nearly 94% of GDP in 2025 and projects that it will **reach 100% of global GDP by 2029**, a level previously seen only in the aftermath of the Second World War. Advanced economies are already there: their gross government debt, as a weighted average, exceeds 100% of GDP, close to the highest levels recorded in two centuries of data:



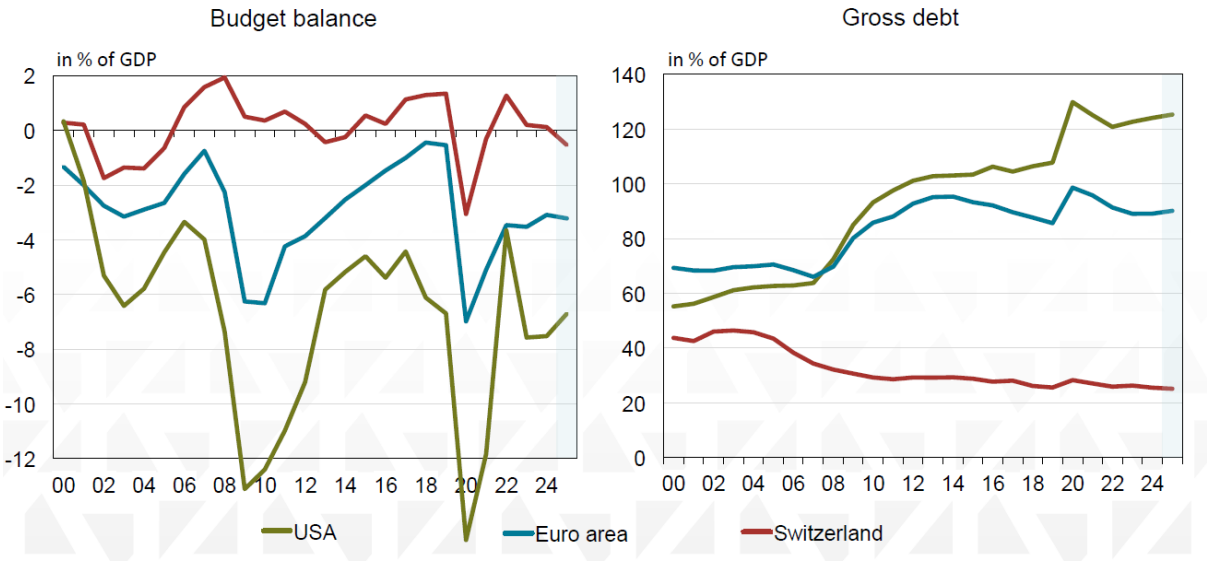
At around **113% of GDP** on average, the debt of **advanced economies** compares with about 74% for emerging markets. Japan (230%), Italy (137%) and the United States (124%) are among the countries with the highest debt-to-GDP ratios in 2025:



The trajectory is particularly steep in the **United States**. The IMF projects **US gross government debt** at about **142% of GDP by 2031**, and the Congressional Budget Office expects federal debt held by the public to climb from about 100% of GDP today to 175% by 2056 under current law:



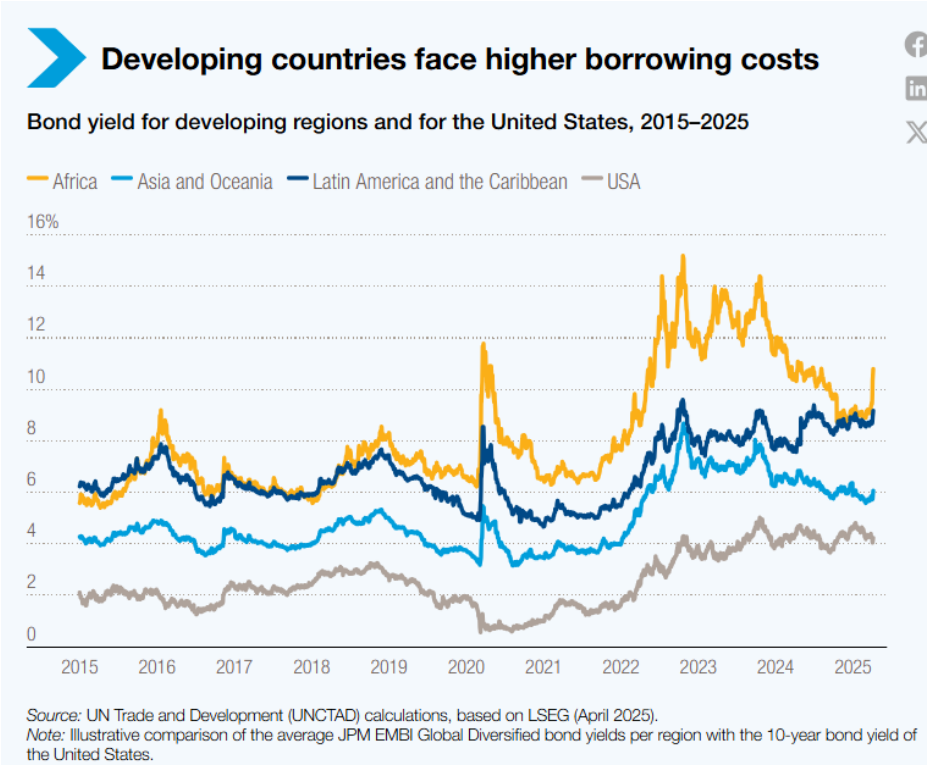
By contrast, **Switzerland's public debt** remains very low, **below 30% of GDP**, with a broadly balanced budget:



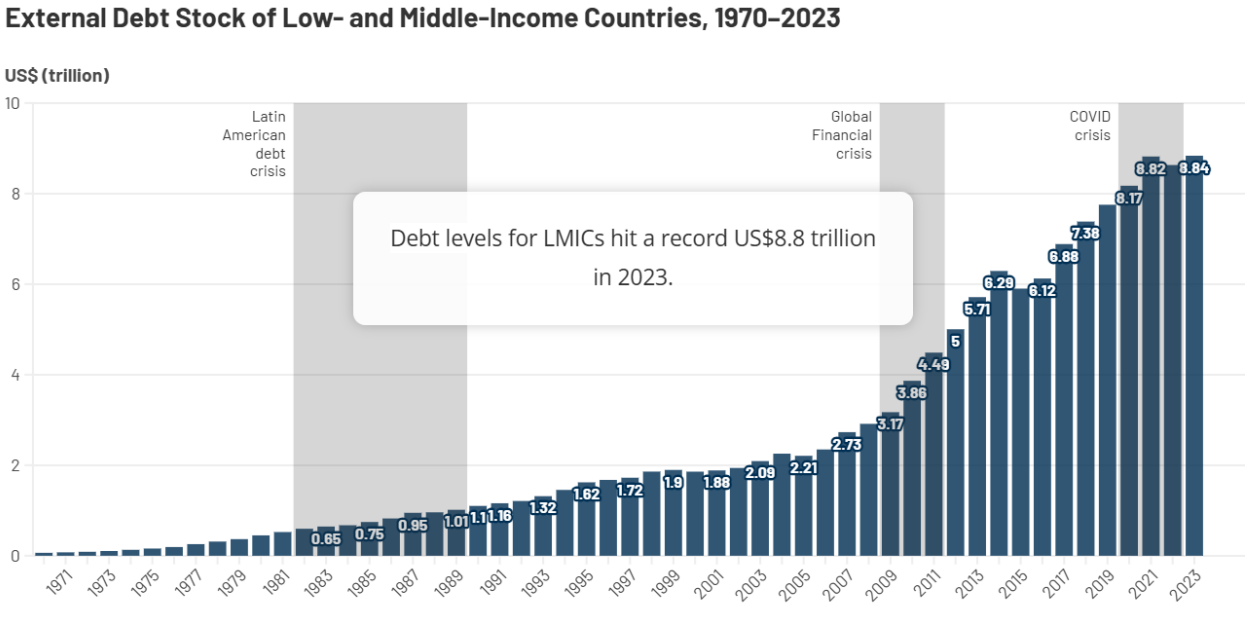
The rise in public debt is largely attributable to **persistently high fiscal deficits**, of around **5% of global GDP**, and to **rising interest costs**: according to the IMF, interest payments have increased from 2% to nearly 3% of global GDP in four years. The interest–growth differential (r – g), long favourable to borrowers, is becoming markedly less so, and when the effective interest rate exceeds nominal GDP growth, debt ratios tend to rise mechanically, even without new spending, unless offset by a sufficient primary fiscal surplus. The interest burden is no longer marginal: it is becoming a

dominant fiscal variable, which increases the **political temptation** of **financial repression**.

Developing countries face the hardest arithmetic. Since 2020, they have been borrowing at rates **two to four times higher** than the **United States**, which makes it harder to invest in sustainable development:

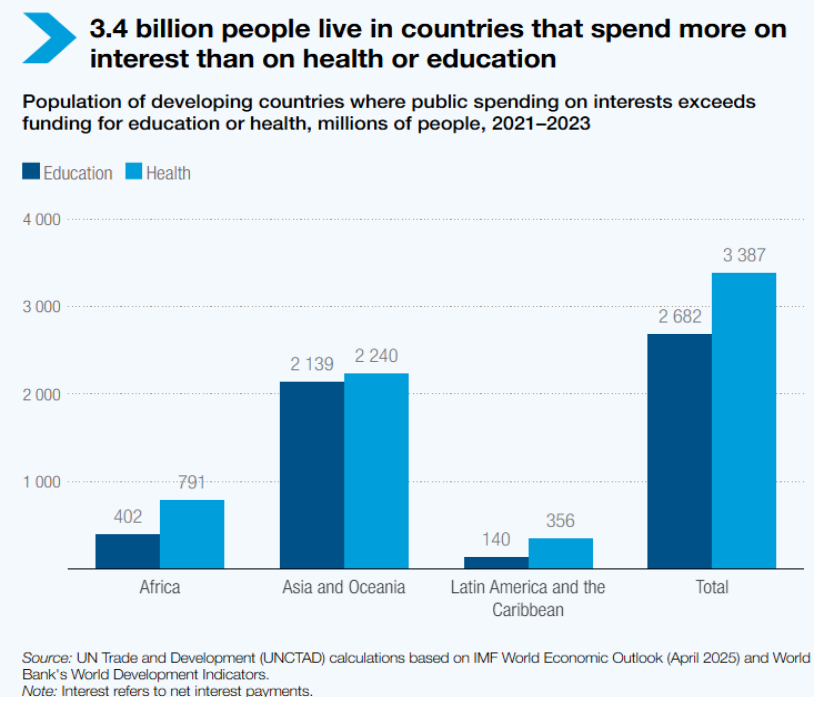


As a result, the external debt of low- and middle-income countries reached a record $8.8 trillion in 2023:



Source: World Bank International Debt Statistics database

Since 2010, developing countries' debt has grown twice as fast as that of advanced economies. Today, **3.4 billion** people live in countries that spend **more on interest payments** than on health or education:



Climate change: the other bill

Debt is not the only liability being passed on to future generations. **Climate change** is another, and it compounds the first. Some **1.2 billion people** already face **life-changing risks** from climate-related hazards such as floods, heatwaves, droughts and cyclones, according to the World Bank. Many of them live in the countries served by its International Development Association (IDA), the fund for the poorest nations, where nearly half of the population is at high risk.

According to the World Meteorological Organisation, the atmospheric concentration of **carbon dioxide**, as well as those of methane and nitrous oxide, reached in 2023 the **highest levels** of the **last 800'000 years**, and real-time data from specific locations show that all three continued to rise in 2024. The global mean near-surface **temperature** in 2024 was 1.55 °C (± 0.13 °C) above the 1850–1900 average used to represent pre-industrial conditions, making **2024** the **warmest** year in the 175-year observational record:

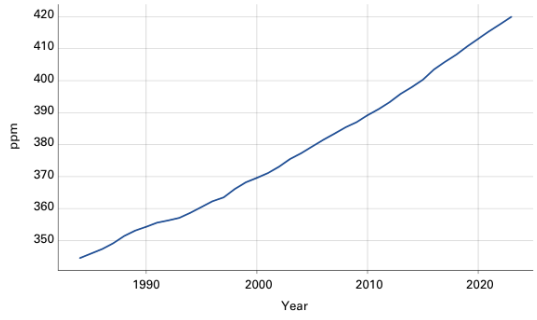


Figure 1. Annual mean globally averaged atmospheric mole fraction of carbon dioxide from 1984 to 2023 in parts per million (ppm)
Source: Data are from the World Data Centre for Greenhouse Gases (WDCGG). See Datasets and methods.

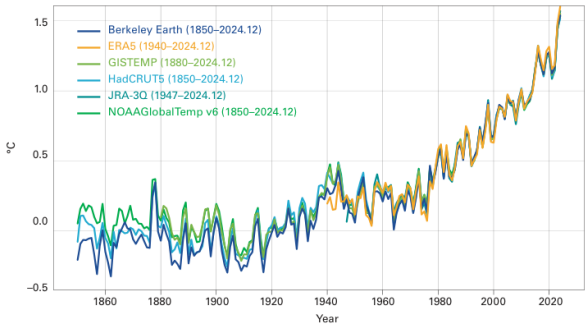
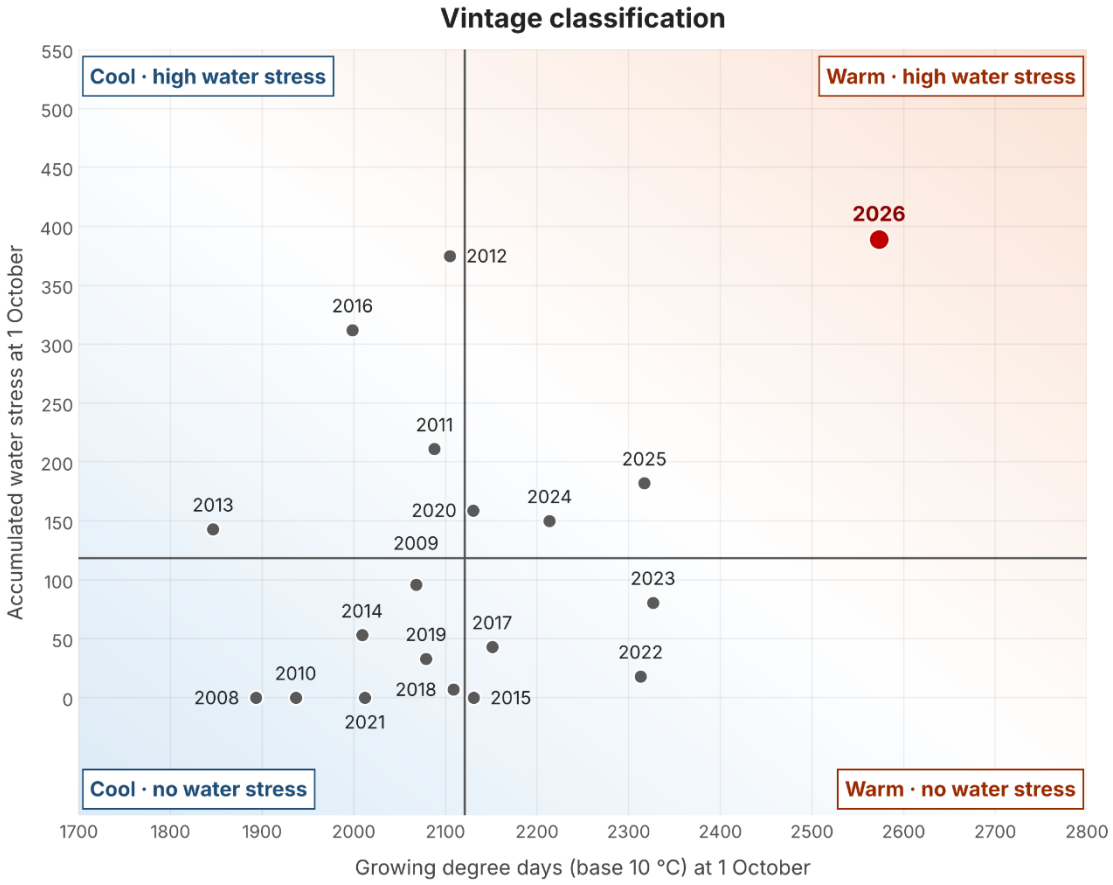


Figure 2. Annual global mean temperature anomalies relative to a pre-industrial (1850–1900) baseline shown from 1850 to 2024
Source: Data are from the six datasets indicated in the legend. For details see Datasets and methods.

On a lighter note, wine lovers will find the same trend in the **vineyards of Priorat**, where **2026** has been by a wide margin the **warmest** and **driest** vintage on record. The four previous vintages, from 2022 to 2025, were all in the warm group, confirming an established pattern:



The oceans tell the same story. In 2024, **ocean heat content** reached the **highest level** in the **65-year** observational record, exceeding the previous record set in 2023, and the rate of ocean warming over the past two decades (2005–2024) is more than twice that observed over 1960–2005. Global mean **sea level** also reached a new high in the satellite record, which began in 1993:

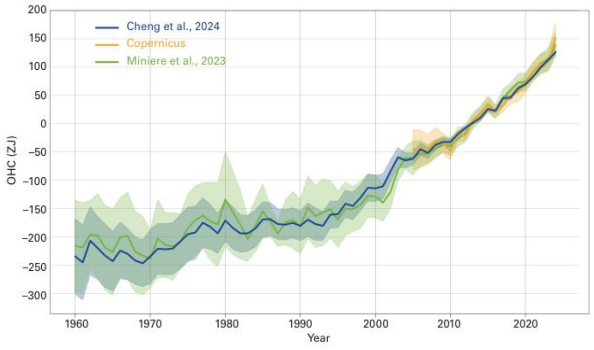


Figure 3. Annual global ocean heat content down to 2000 m depth for the period 1960–2024, in zettajoules (10^{21} J). The shaded area indicates the 2-sigma uncertainty range on each estimate. For details see Datasets and methods.

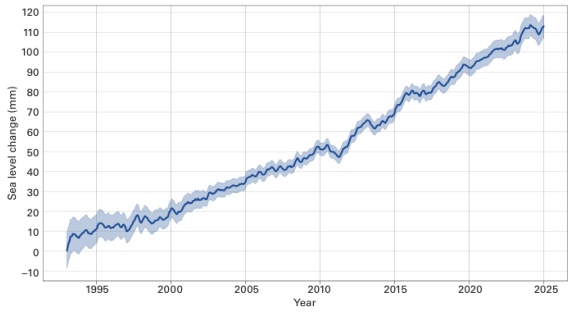


Figure 4. Seasonal global mean sea level change from 1993 shown for 1993–2024. The seasonal cycle has been removed from the data. The shaded area indicates the uncertainty.
Source: Data from AVISO CNES. For details see Datasets and methods.

Acidification of the ocean surface has **continued** over the past 39 years, as shown by the steady decline in average surface pH, and **glacier mass loss** has accelerated sharply.

The three years from 2021/22 to 2023/24 represent the most negative three-year glacier mass balance on record, and seven of the ten most negative annual balances since 1950 have occurred since 2016:

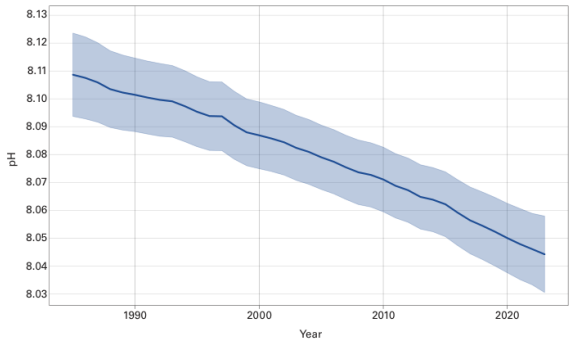


Figure 5. Annual global mean surface ocean pH 1985 to 2023. The dark line is the central estimate and the shaded area is the uncertainty range.
Source: Data from Copernicus Marine Environment Monitoring Service (CMEMS). For details see Datasets and methods.

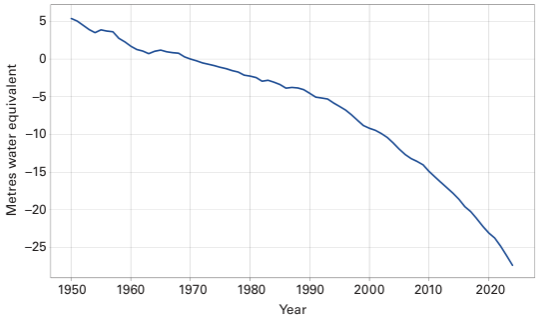
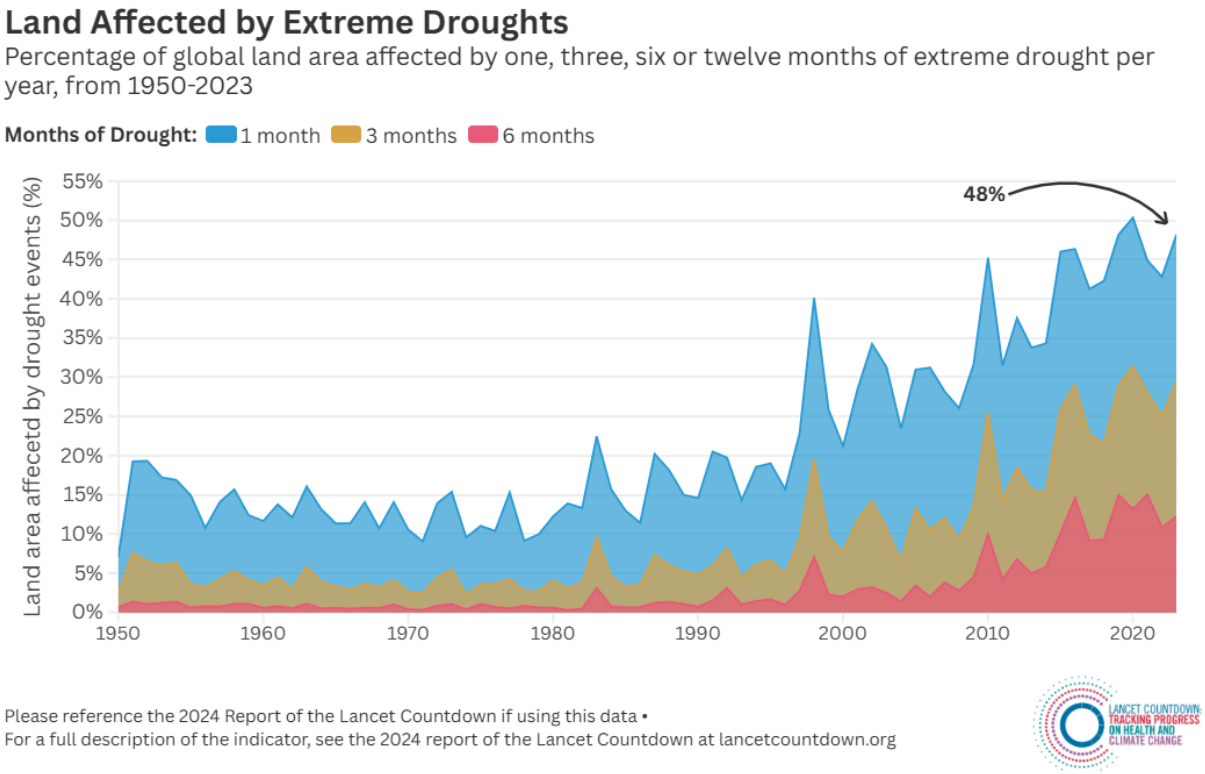
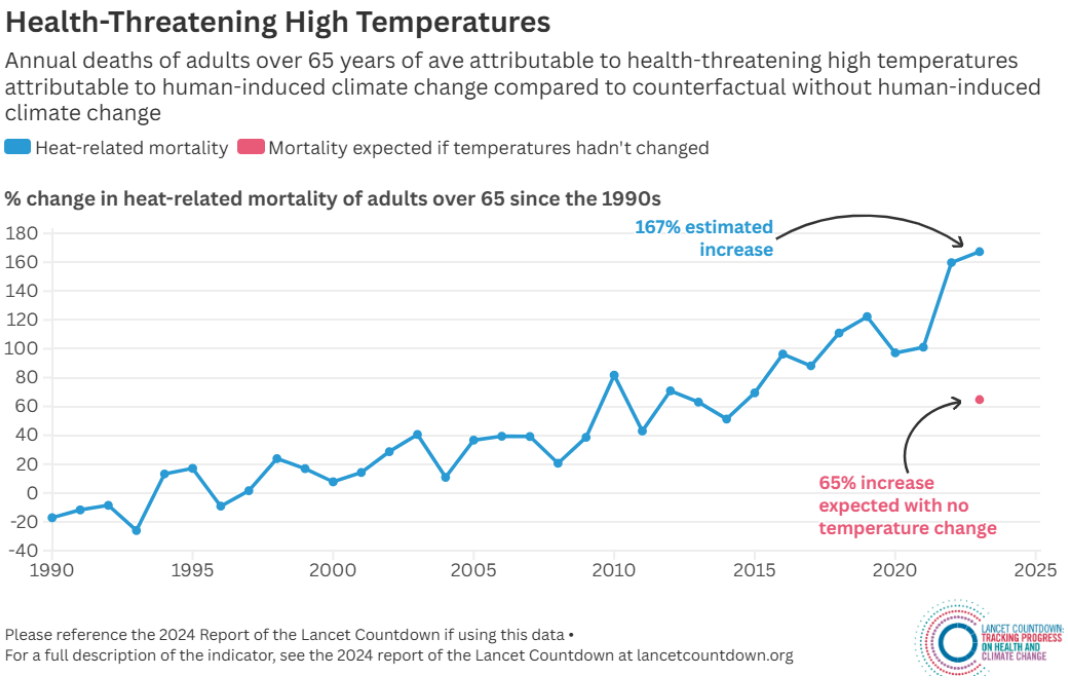


Figure 6. Cumulative annual mass balance of reference glaciers with more than 30 years of ongoing glaciological measurements. Annual mass change values are expressed in metres water equivalent, which corresponds to tonnes per square metre (1 000 kg m^{-2}). The 2024 value is preliminary. For details see Datasets and methods.

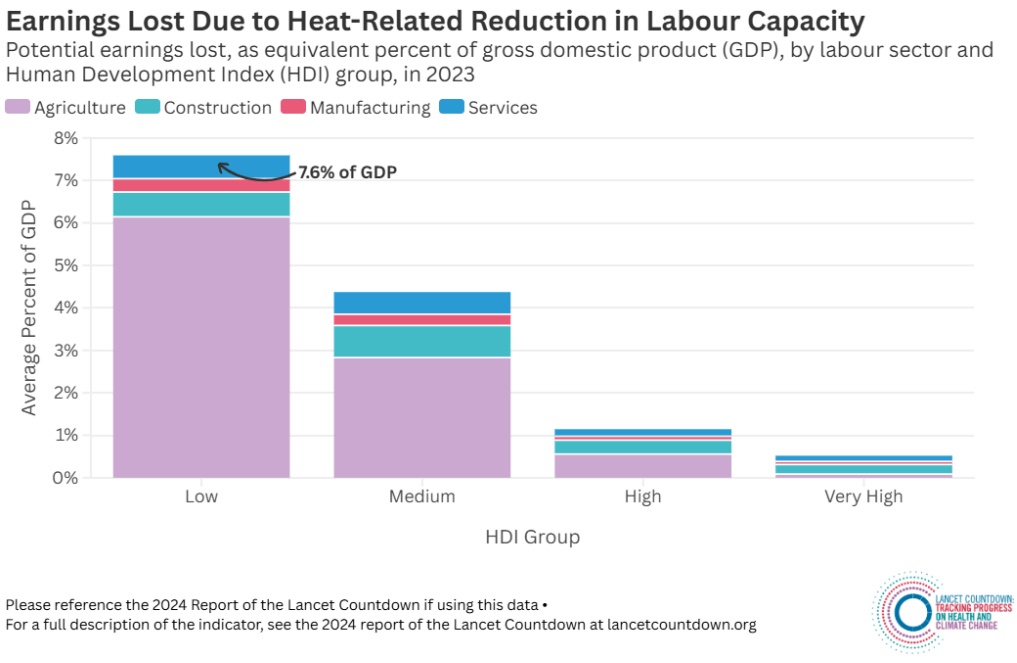
Rising sea levels and warmer oceans increase the baseline risk of floods and storm surges, while hotter conditions intensify heat stress and drought. These feed directly into physical damage, productivity losses, food insecurity, infectious diseases and insurance claims:



The **human cost** is already visible. In 2023, **heat-related deaths** among people over 65 reached the **highest level** recorded, **167%** above the 1990–99 average and more than twice the increase that would have been expected without temperature change, according to the Lancet Countdown:

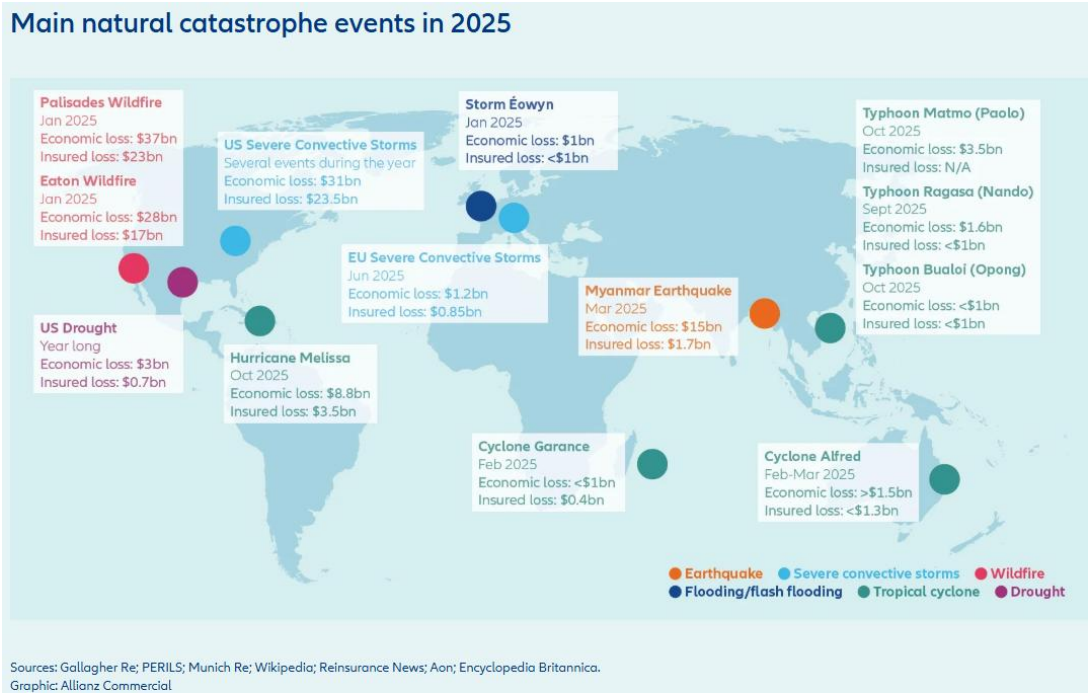


Heat exposure is also increasingly limiting the capacity to work. A record **512 billion** potential **hours of labour** were **lost** globally in 2023, 49% above the 1990–99 average, with an associated potential **income loss** of **$835bn**. Countries with a low Human Development Index (HDI) bore the brunt, with losses equivalent to 7.6% of their GDP:

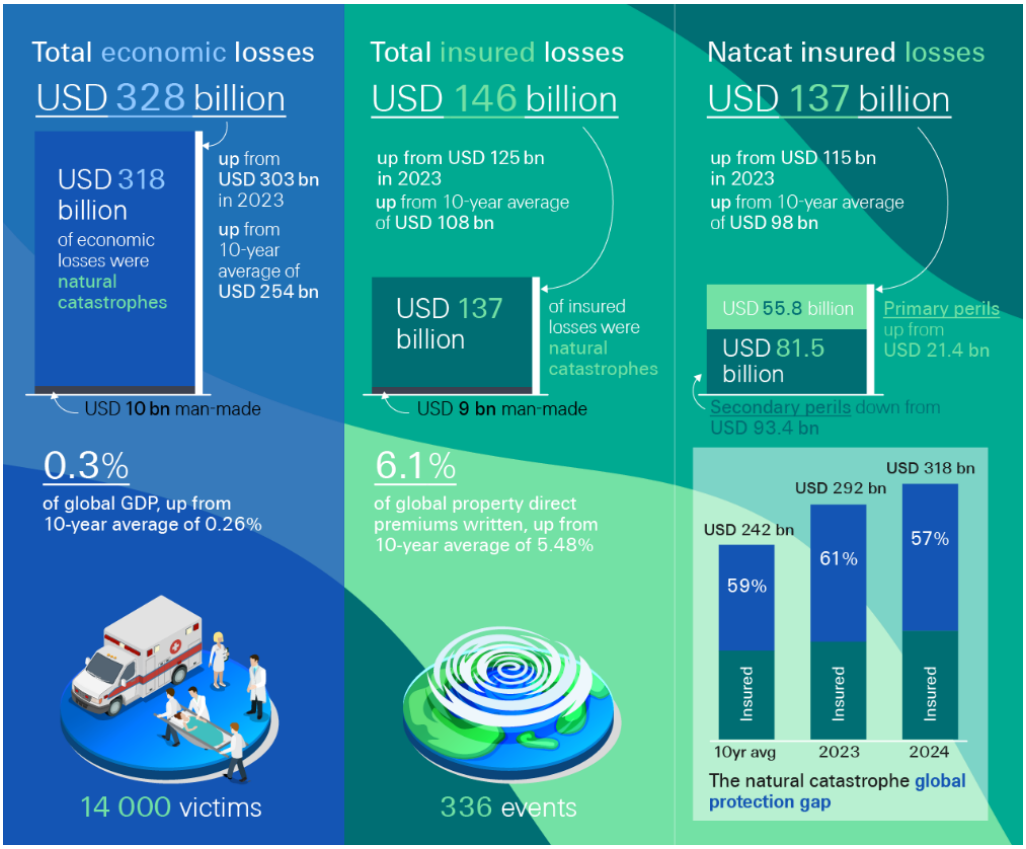


Looking further ahead, the Swiss Re Institute's **stress tests** estimate that climate change could reduce global economic output by **up to 18% of GDP by 2050** if no further action is taken, with smaller losses in scenarios with more mitigation. Chronic physical risks (heat, water stress, coastal flooding) reduce productivity and the efficiency of the capital stock, while repeated shocks depress investment and raise the cost of capital in exposed regions.

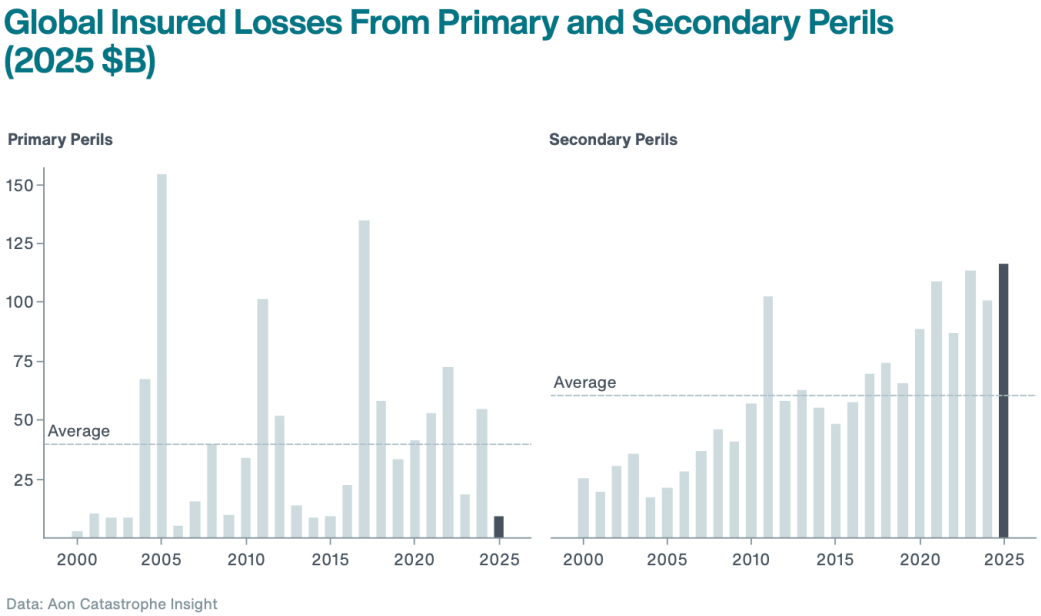
The insurance industry offers the most immediate measure. According to the broker Aon, **global insured losses** from **natural disasters** reached **$127bn** in 2025, the sixth consecutive year above $100bn, even though total economic losses, at $260bn, were the lowest since 2015:



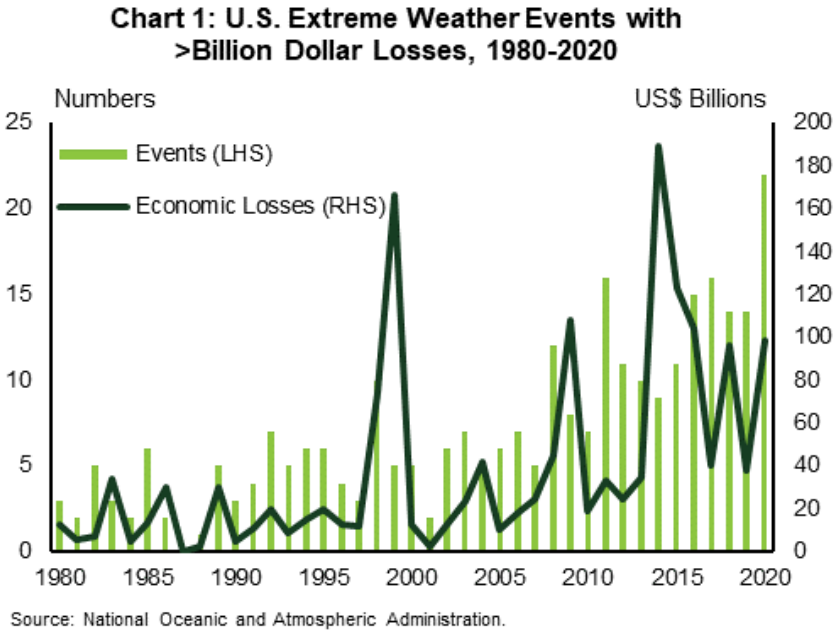
The previous year had been heavier still: Swiss Re estimates that natural catastrophes caused **economic losses** of **$318bn in 2024**, against a ten-year average of $254bn, of which $137bn was insured:



Aon's analysis shows that **secondary perils**, such as severe convective storms (hail, tornadoes, straight-line winds), flash floods, wildfires, heatwaves, droughts, cold spells and landslides, now account for the **majority** of global **insured catastrophe losses** in most years. Since 2000, they have generated cumulative insured losses of at least **$1.56 trillion**, against roughly $1.04 trillion for primary perils such as tropical cyclones, earthquakes and European windstorms. The chart below shows the steady rise in losses from secondary perils, compared with the lumpier and sometimes outsized contribution of peak perils:



In the US, both the number of **extreme weather events** causing more than $1bn of damage and the associated economic losses have been trending upwards for four decades:

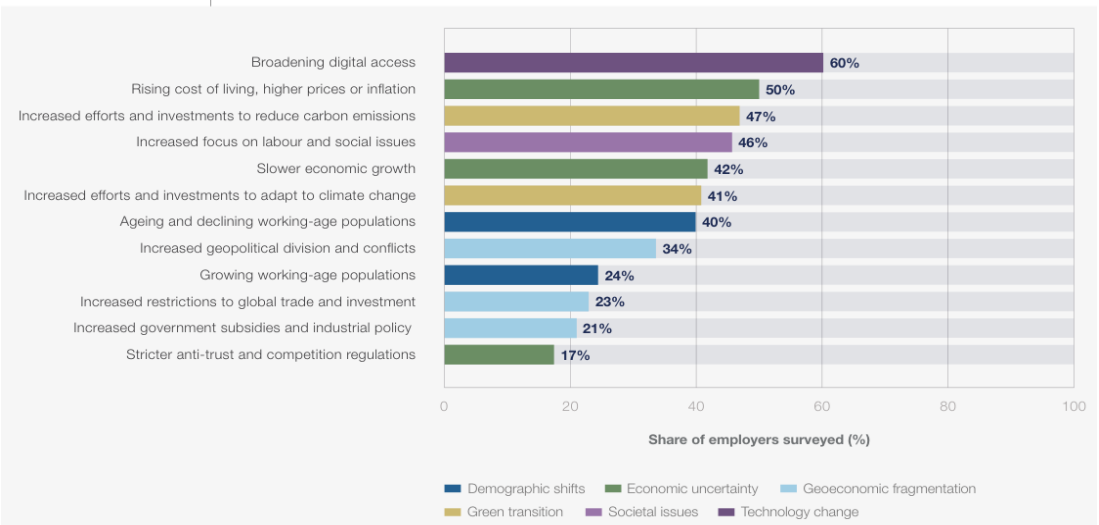


The energy transition: greener, but is it enough?

It is therefore no surprise that efforts to **reduce carbon emissions** rank as the **third most important trend** transforming business, after broadening digital access and the rising cost of living, according to the World Economic Forum's Future of Jobs survey conducted in 2024:

FIGURE 1.1 **Macrotrends driving business transformation**

Share of employers surveyed that identify the stated trend as likely to drive business transformation.

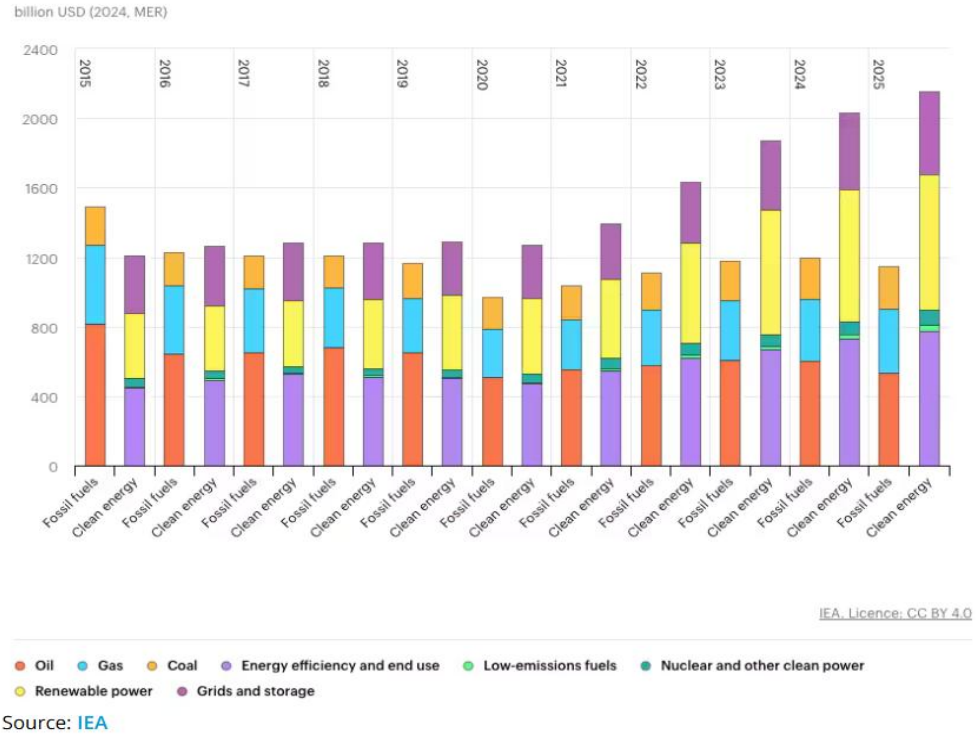


Source

World Economic Forum, Future of Jobs Survey 2024.

Capital is following. Global investment in **clean energy** exceeded **$2 trillion** for the first time in 2024, comfortably ahead of **fossil fuels**. For 2025, the International Energy Agency (IEA) estimated total energy investment at $3.3 trillion, of which $2.2 trillion in clean technologies, twice the amount going to fossil fuels. Renewables accounted for 92.5% of all new power-generation capacity added in 2024:

Global Investment in Clean Energy and Fossil Fuels, 2015-2025.



Source: IEA

The stock changes more slowly than the flow, however. About **60% of the world's electricity** is still generated from **fossil fuels**: coal remains the largest source (about 35%), ahead of natural gas (about 22%), with oil a small and declining share (3%). **Renewables** provided roughly **30%** of the **power mix** in 2023, split between hydropower (15%) and solar, wind and other sources (13%); wind and solar together passed 15% in 2024, overtaking hydropower. Nuclear power supplies about 9%:

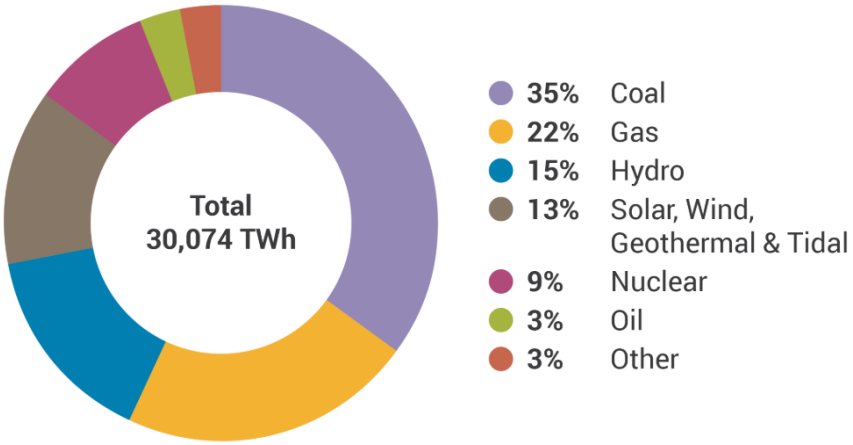
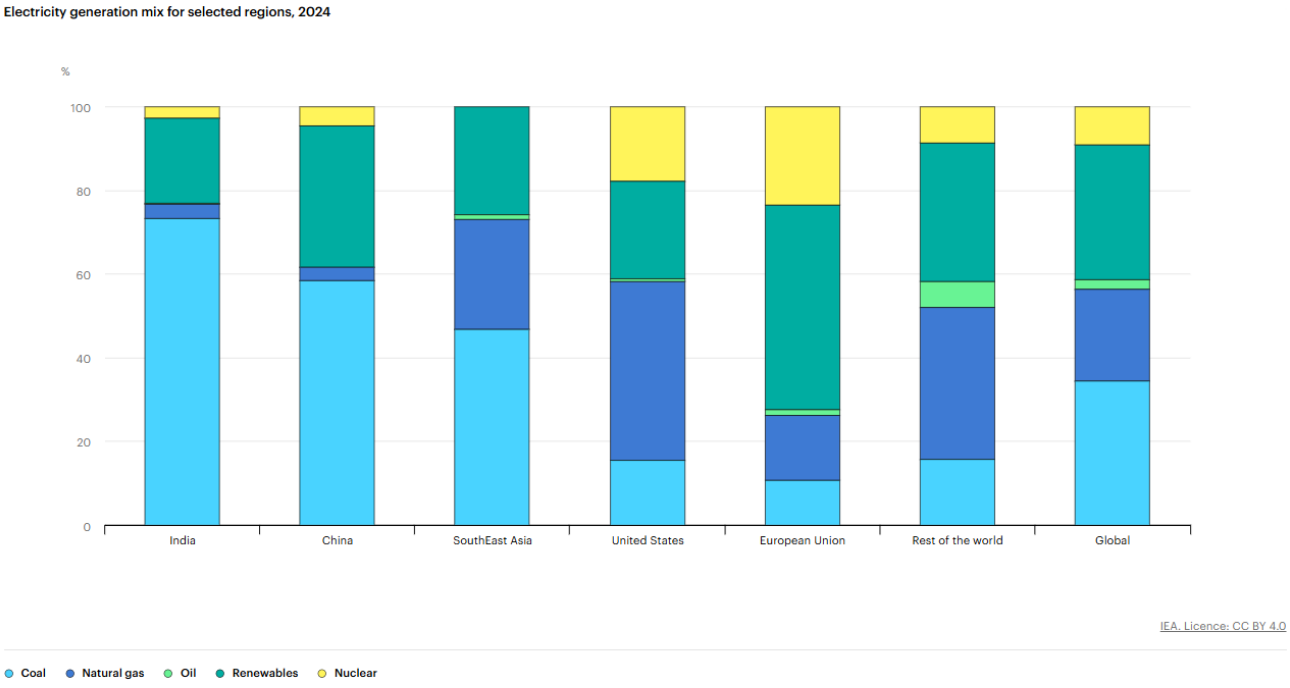
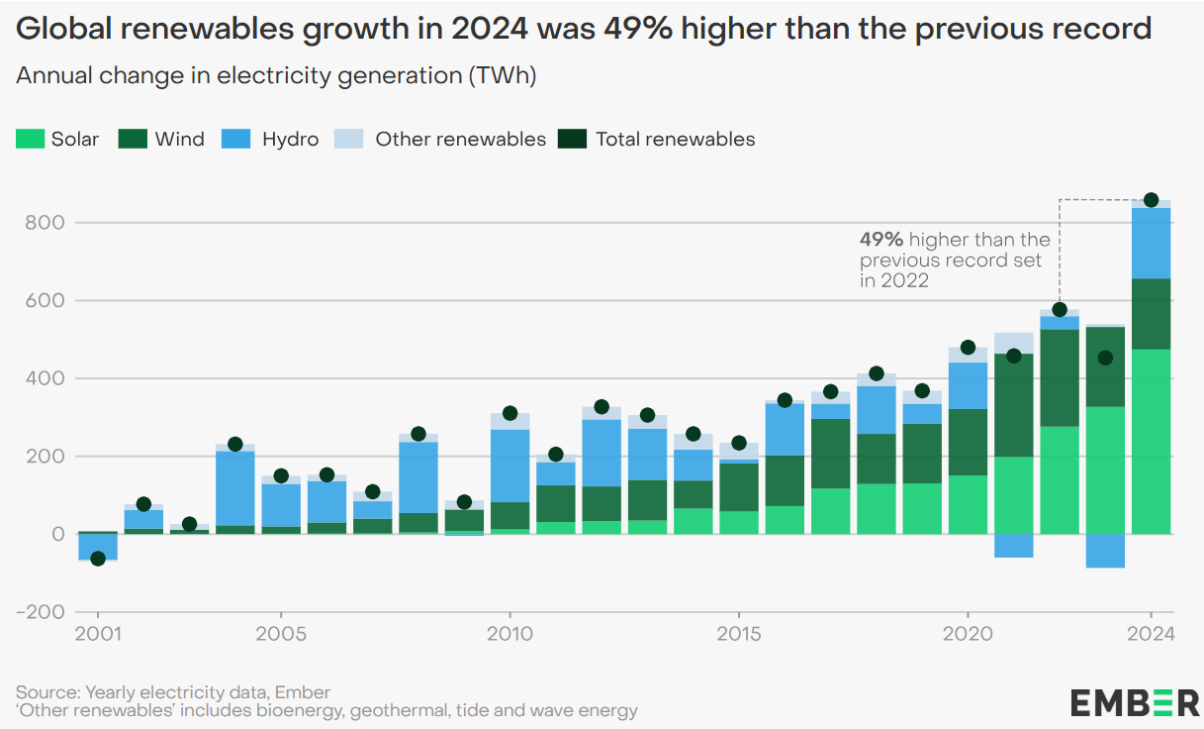


Figure 2: World electricity production by source 2023 (source: International Energy Agency)

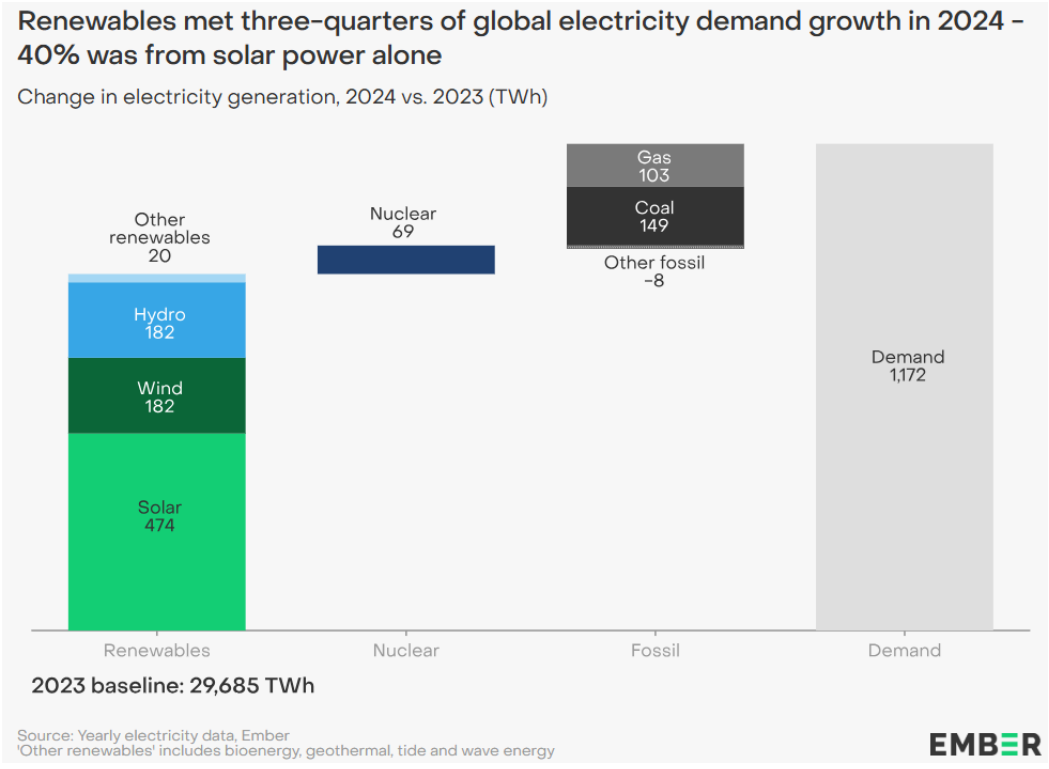
The **mix varies widely by region**. In India, for instance, coal still generates about 73% of electricity and renewables only slightly more than 20%. In the **EU**, **renewables** account for **almost 49%** and nuclear for close to a quarter:



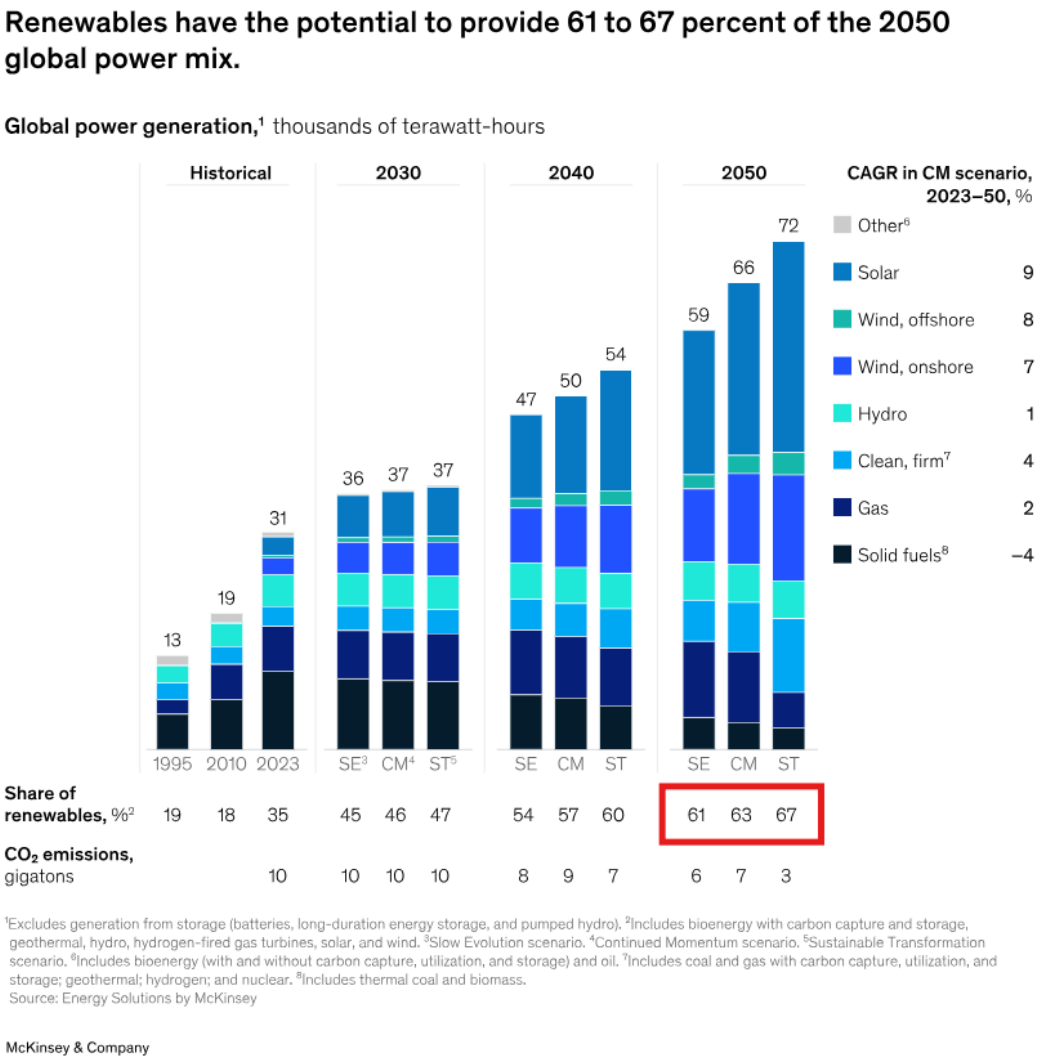
The growth of renewables is nevertheless well established. Their output grew by a record amount in 2024, 49% more than the previous record set in 2022:



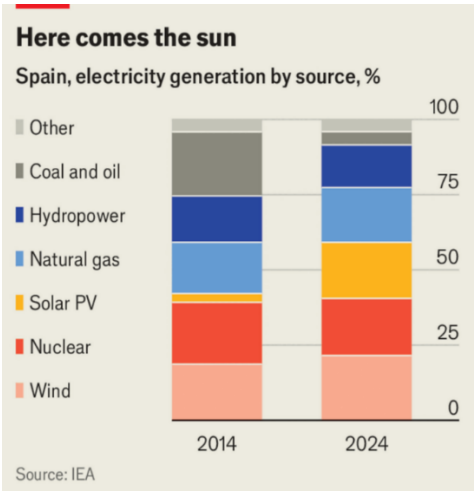
Renewables also met **three-quarters** of the **growth** in global electricity demand in 2024, with solar alone providing 40%:



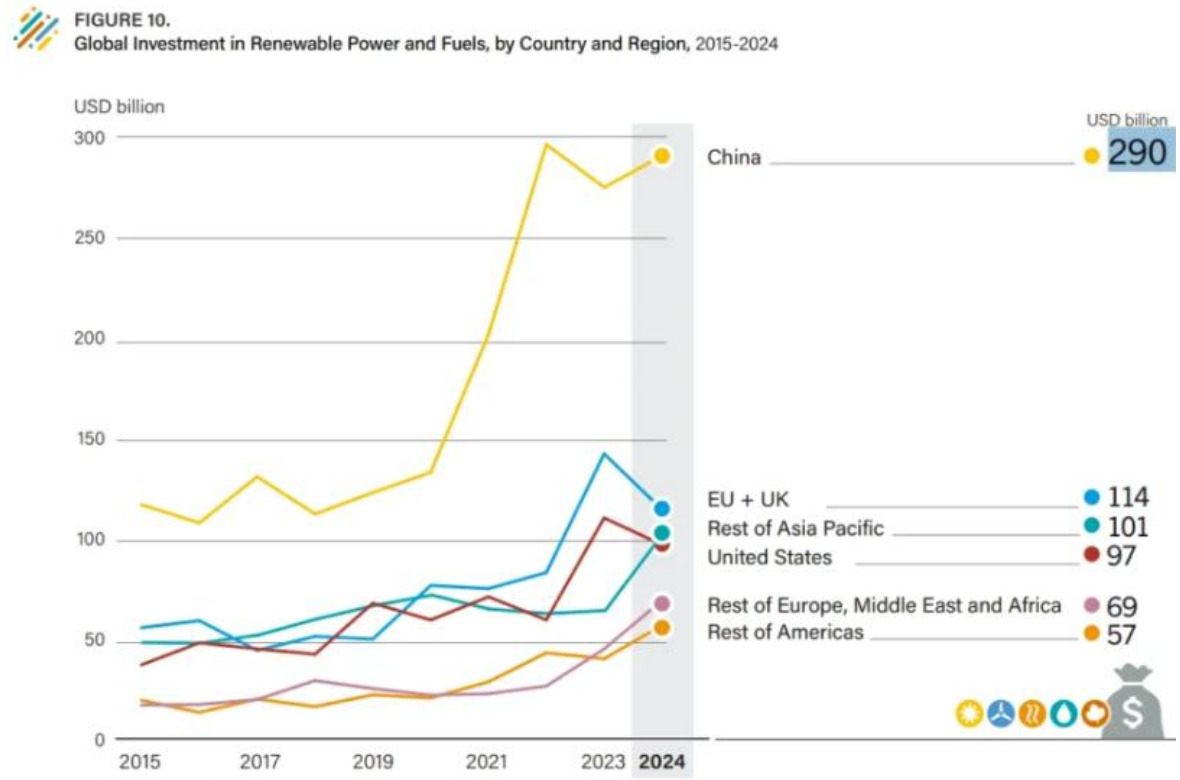
McKinsey estimates that renewables could provide **more than 60%** of the global **power mix** by **2050**, thanks to the expansion of solar and wind:



Spain illustrates how quickly the mix can change. In ten years, solar has gone from a marginal source to almost **a fifth** of **electricity generation**; wind, solar and hydropower together now provide more than **half**, and low-carbon sources, including nuclear, around three-quarters:

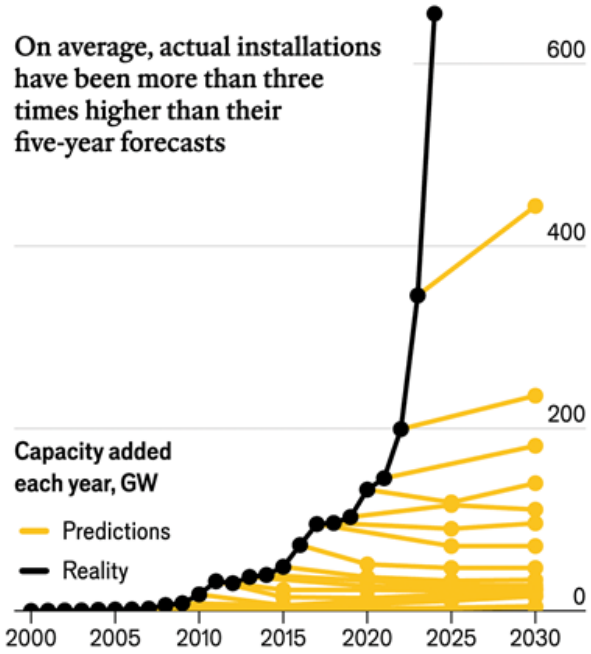


China leads the investment race in renewables by a wide margin, with an estimated $290bn invested in 2024, against $114bn in the EU and the UK combined and $97bn in the US:



Source: REN21 Global Status Report 2025

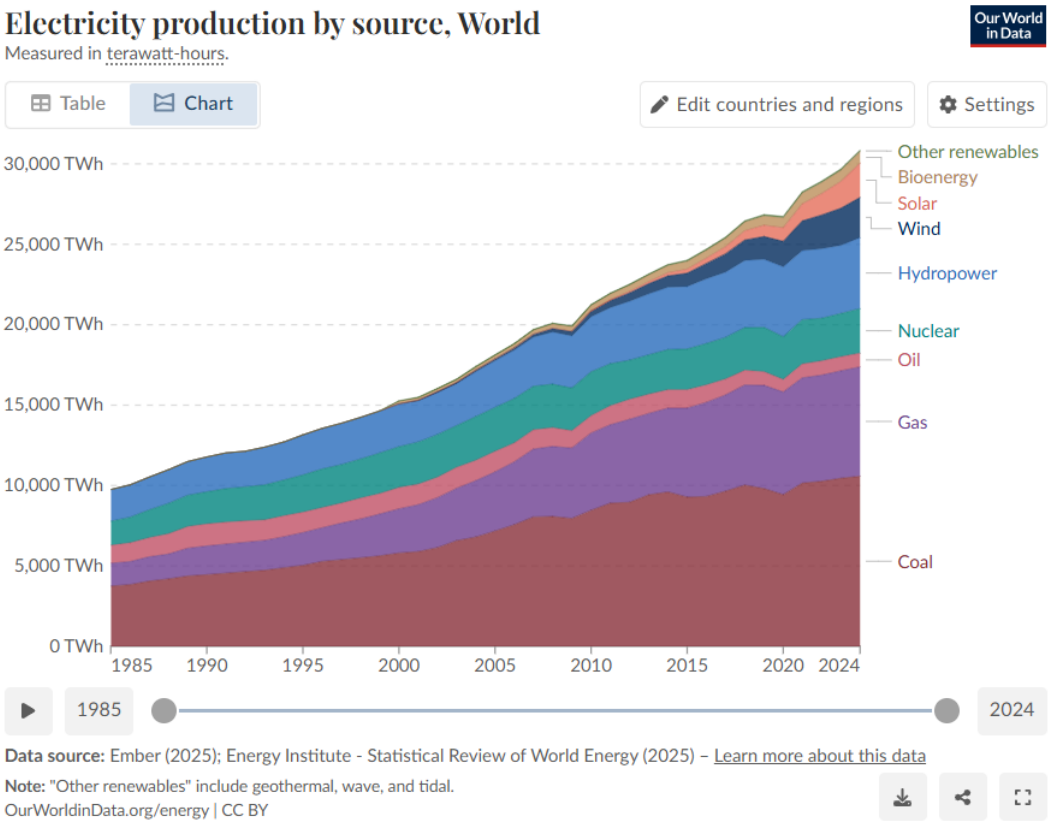
It is worth noting that **forecasts** have consistently been too cautious. Actual **solar installations** have on average been more than **three times higher** than the five-year forecasts made for them:



Installations for 2024 are an estimate from BloombergNEF for direct current solar capacity

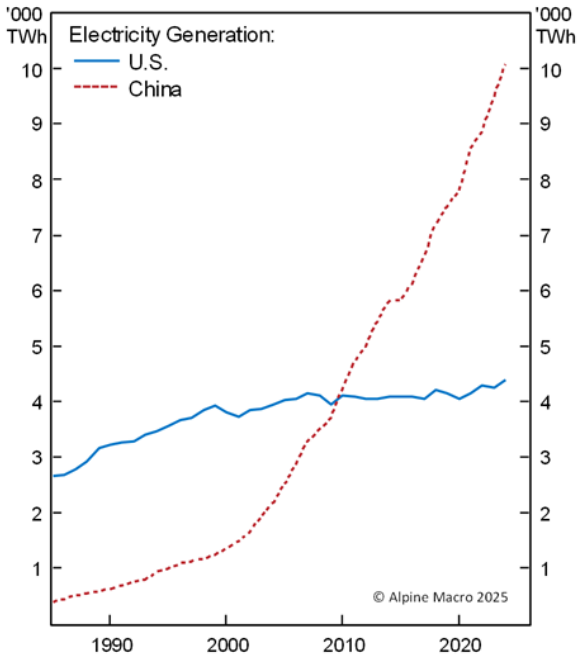
Sources: IEA; Energy Institute; BloombergNEF

Although the power mix is turning greener, supply has to keep up with rapidly rising **consumption**. Global electricity production has more than **tripled in about 40 years**:



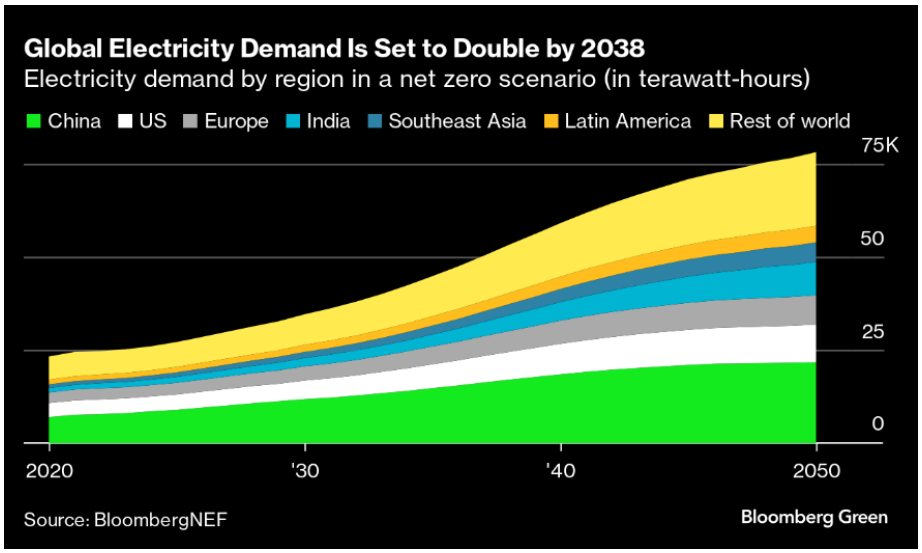
Here again **China** leads by a wide margin. Its electricity production has risen **more than sevenfold** in **25 years** to over 10'000 TWh, about a third of the world total and more than twice that of the US:

Chart 2: China Leads Electricity Generation...

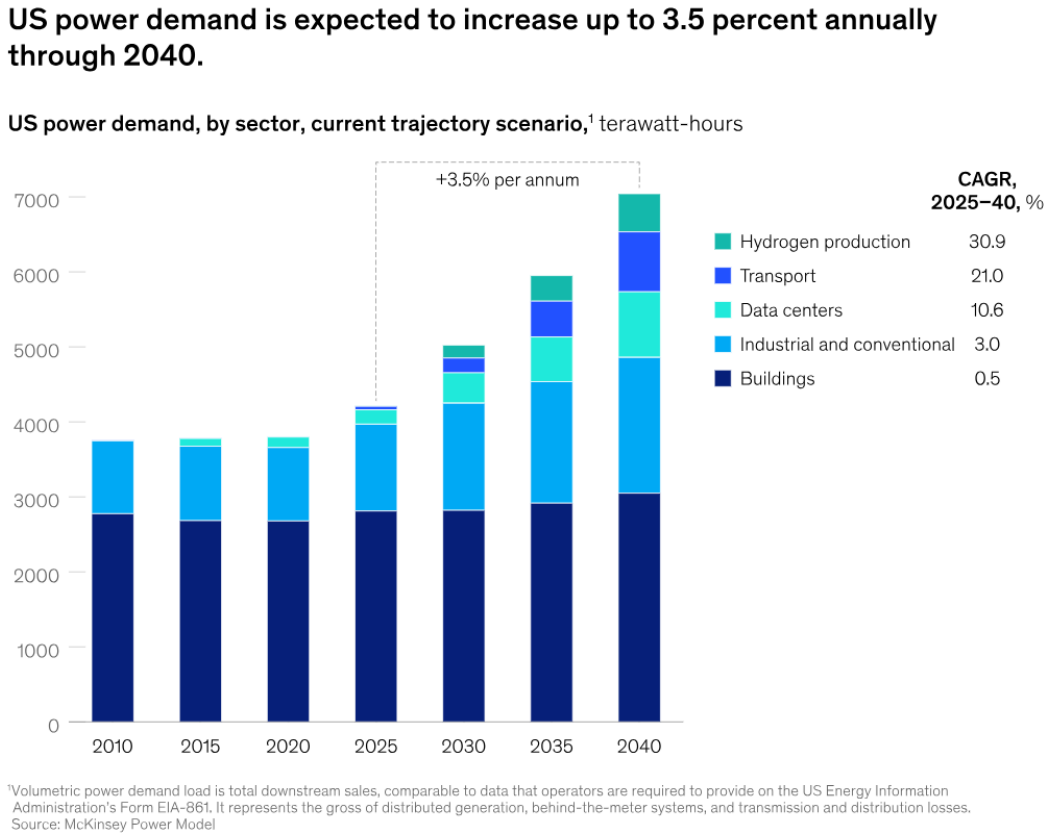


Source: Alpine Macro, Ember, Energy Institute – Statistical Review of World Energy

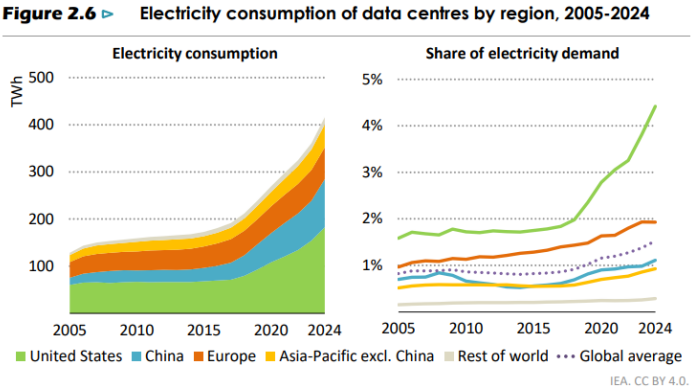
In BloombergNEF's net-zero scenario, global **electricity demand** would **double** from its 2020 level **by 2038**, to around 50'000 TWh, and **triple by 2050**, to around 75'000 TWh:



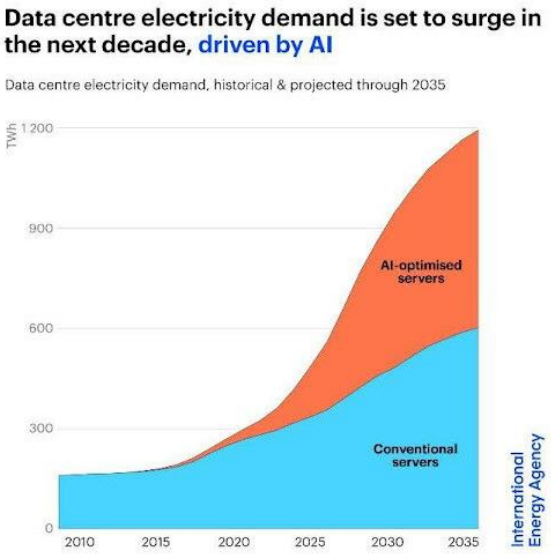
In the US, McKinsey expects power demand to reach about 7'000 TWh by 2040, against circa 4'200 TWh in 2025, a growth rate of up to 3.5% a year:



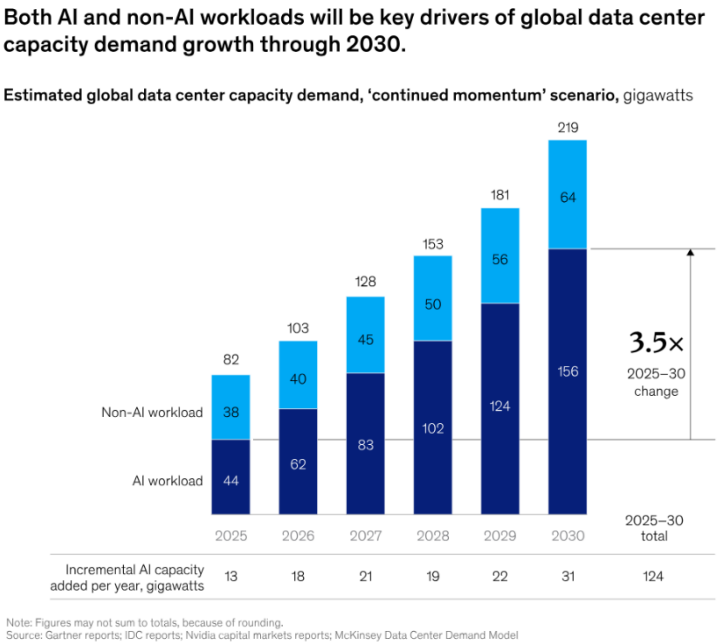
The energy needs of **AI** explain part of this appetite for power. Data centres still account for a small share of electricity demand worldwide, about 1.5%, but their consumption has been growing fast, above all in the US:



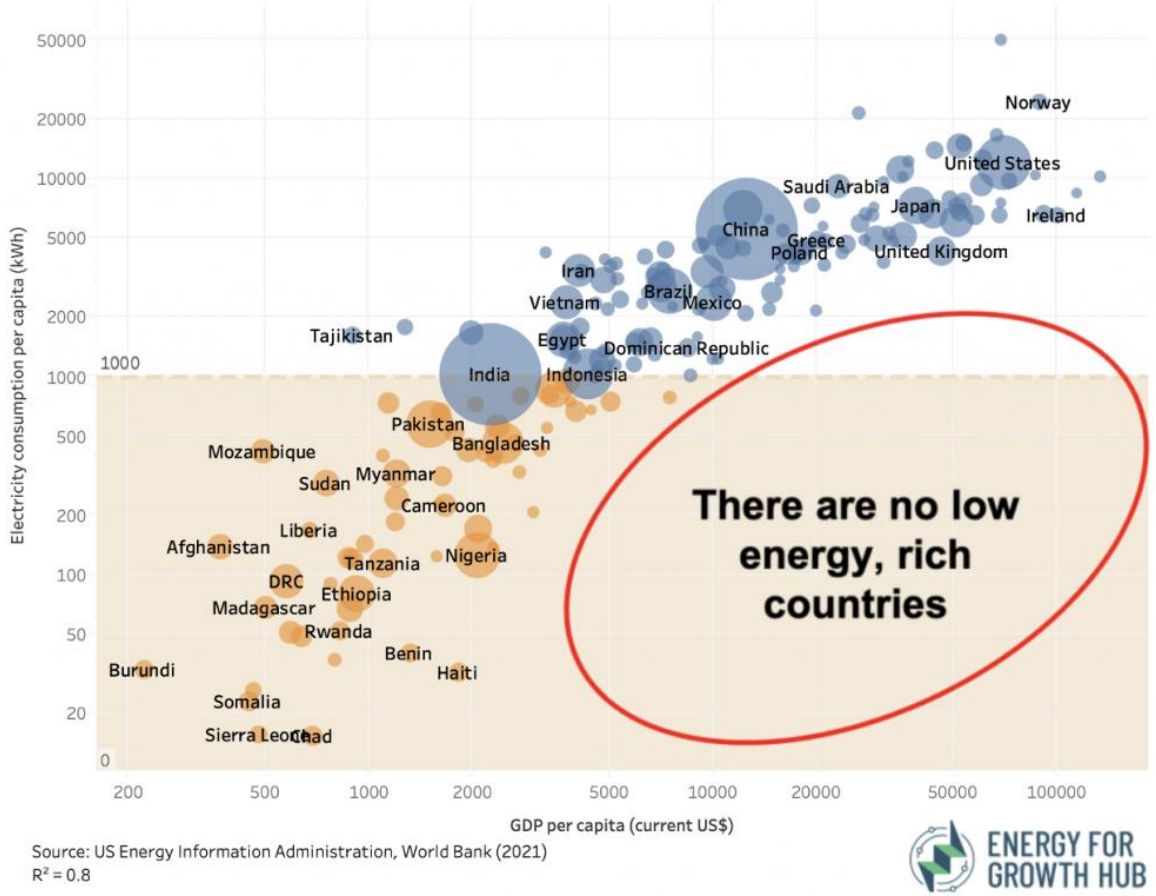
The IEA expects **data-centre** electricity demand to roughly **triple within ten years**, to about 1'200 TWh by 2035, equivalent to circa 4% of current global electricity production:



McKinsey estimates that global **data-centre capacity demand** could rise from about 80 GW in 2025 to almost **220 GW in 2030**, with AI workloads growing 3.5-fold to account for some 70% of the total, placing considerable strain on power grids:



Electricity is not a luxury. Energy consumption and prosperity go hand in hand: **there are no rich, low-energy countries**:



Can supply keep up, and can **nuclear** power be part of the answer? Global nuclear generation has hovered between 2'500 and 2'700 TWh for the past 25 years, after the boom of the 1980s, and reached 2'667 TWh in 2024, which is **less than 10%** of world electricity production:

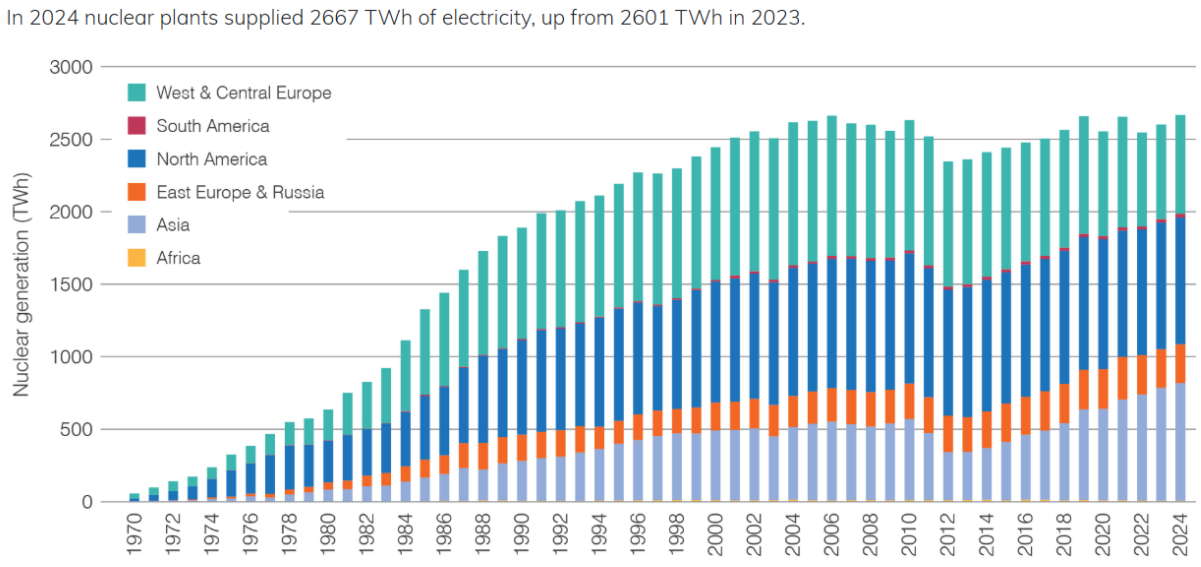
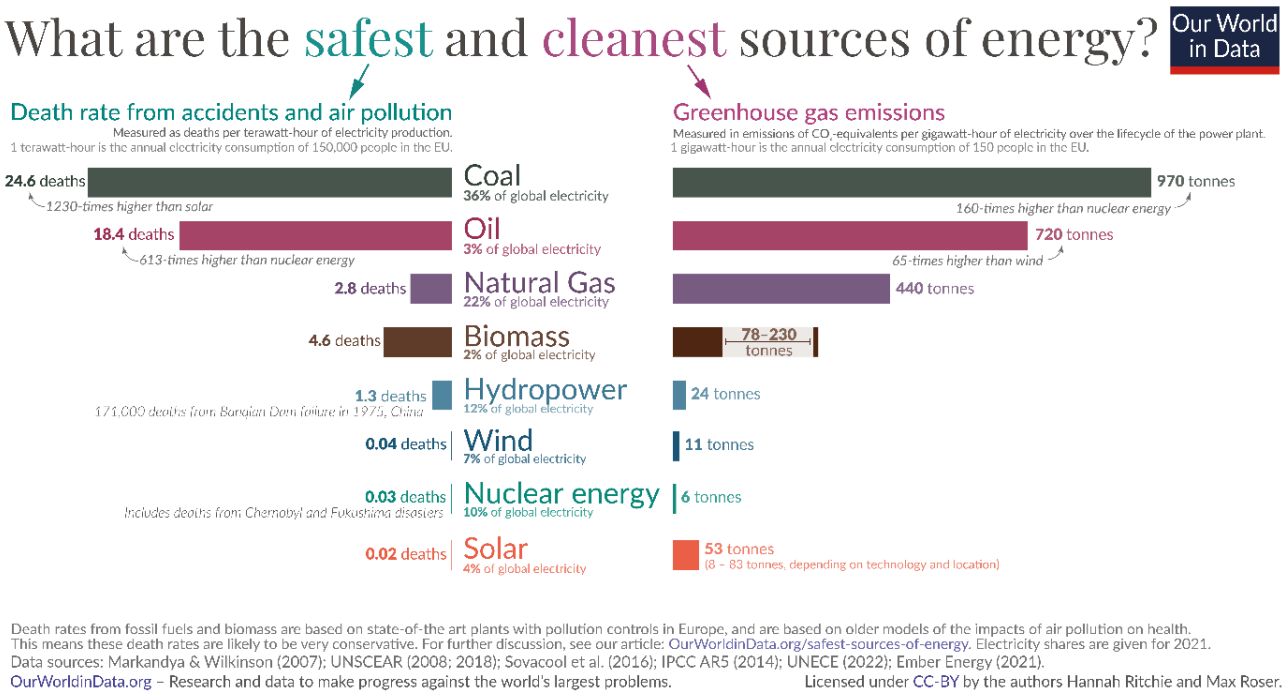


Figure 1: Nuclear electricity production 1970-2024 (source: World Nuclear Association, IAEA PRIS)

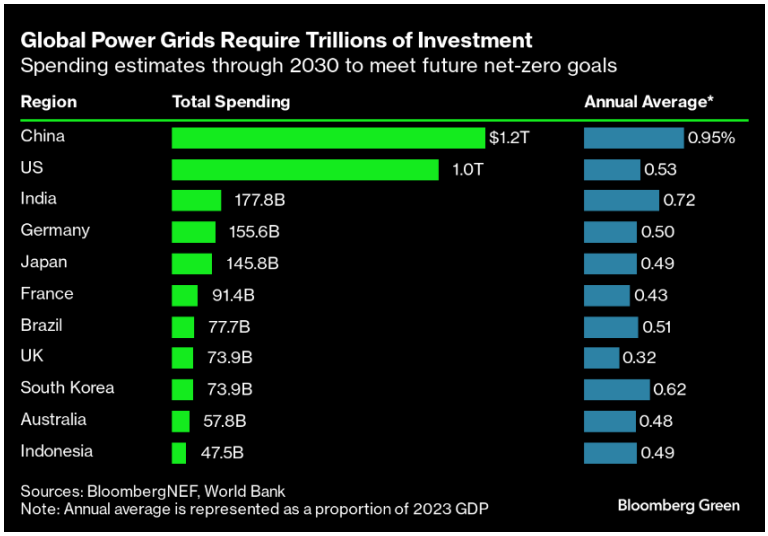
Despite **major accidents**, such as Chernobyl in 1986 and Fukushima in 2011, nuclear power is, per unit of electricity produced, among the **safest** and **cleanest** sources of energy. The long-term disposal of **radioactive waste** nevertheless remains unresolved:



Death rates from fossil fuels and biomass are based on state-of-the art plants with pollution controls in Europe, and are based on older models of the impacts of air pollution on health. This means these death rates are likely to be very conservative. For further discussion, see our article: OurWorldinData.org/safest-sources-of-energy. Electricity shares are given for 2021.
Data sources: Markandya & Wilkinson (2007); UNSCEAR (2008; 2018); Sovacool et al. (2016); IPCC AR5 (2014); UNECE (2022); Ember Energy (2021).
OurWorldinData.org – Research and data to make progress against the world's largest problems. Licensed under CC-BY by the authors Hannah Ritchie and Max Roser.

The more immediate constraint is the **grid**. Insufficient infrastructure has emerged as the main bottleneck of the energy transition: the challenge is **less to produce** enough electricity **than to move** it from where it is generated to where it is needed. The severe **blackouts**, such as the ones that hit Spain and Portugal in April 2025, are an illustration of grid-resilience and system-management challenges.

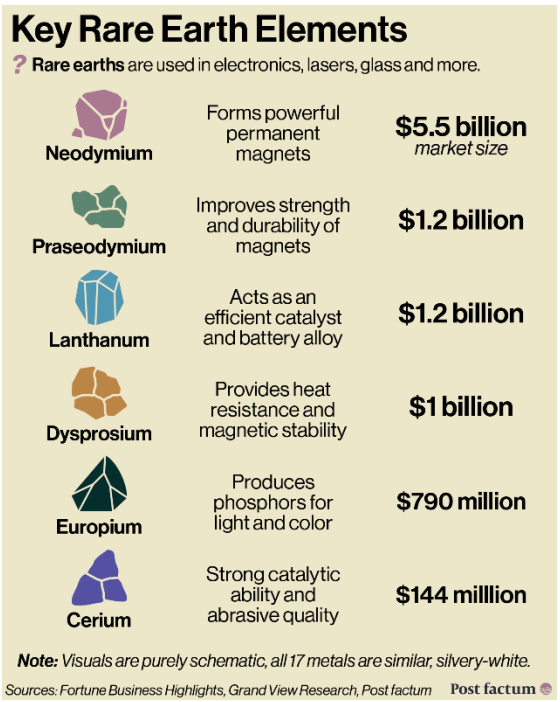
BloombergNEF estimates that at least **$21.4 trillion** will need to be invested in electricity **grids** by 2050 to put the world on a net-zero path. Because of their size and energy use, China and the US face the largest bills, but no country is spared:

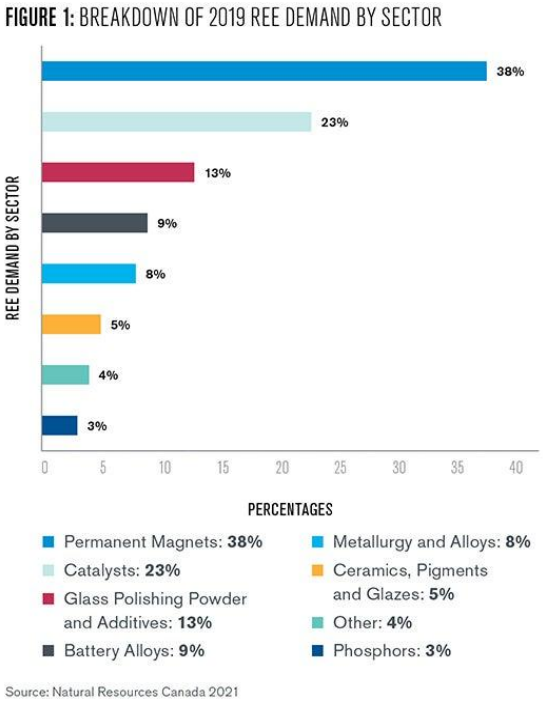


Critical materials: the rare-earth dependency

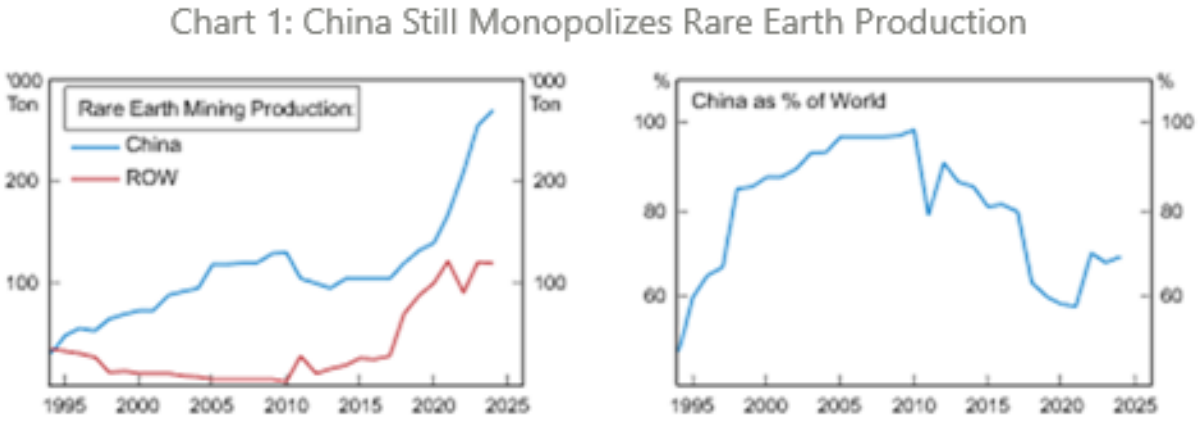
Energy is not the only resource under strain. Demand for other critical materials, such as **rare earth elements** (REEs), is also rising fast. They are essential to several strategic applications:

- **Clean energy:** REEs are used in wind turbines and electric-vehicle motors, for instance; the permanent magnets of a single large wind turbine can require several hundred kilograms of rare earths such as neodymium.
- **Consumer electronics:** smartphones, laptops and flat-screen televisions rely on them for magnets, LEDs and lasers.
- **Advanced technology:** robotics, drones, medical imaging and military systems.

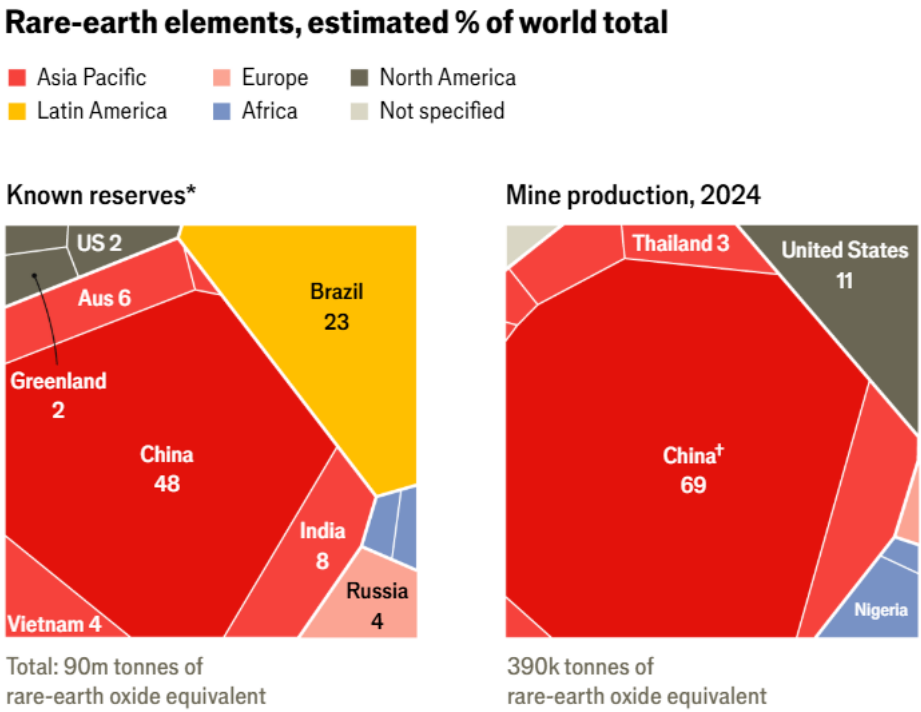




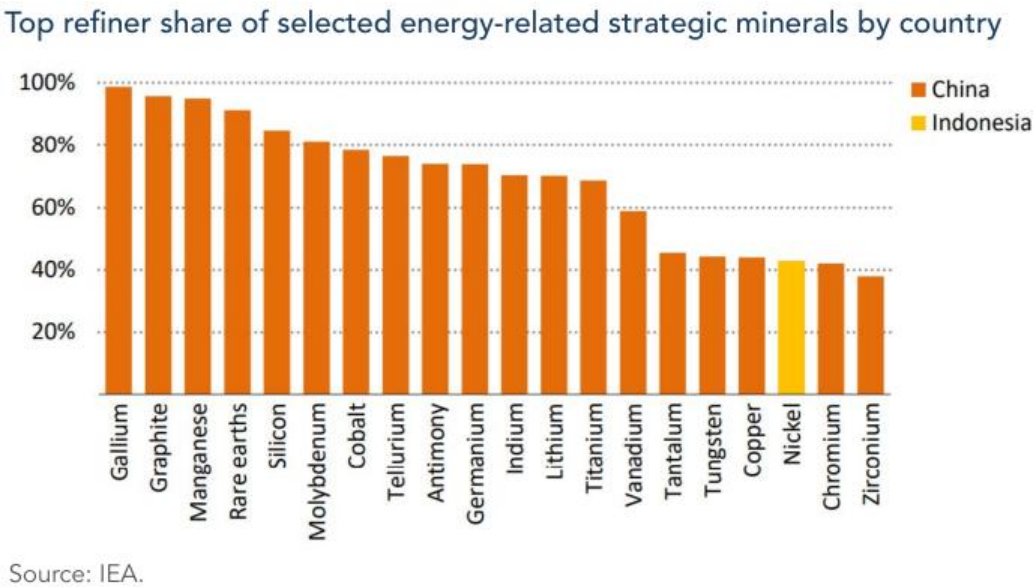
China dominates rare earths in both mine production and reserves:



It holds about **48% of known reserves**, well ahead of **Brazil** (23%), and accounts for **69% of mine production**, far ahead of the **US** (11%):

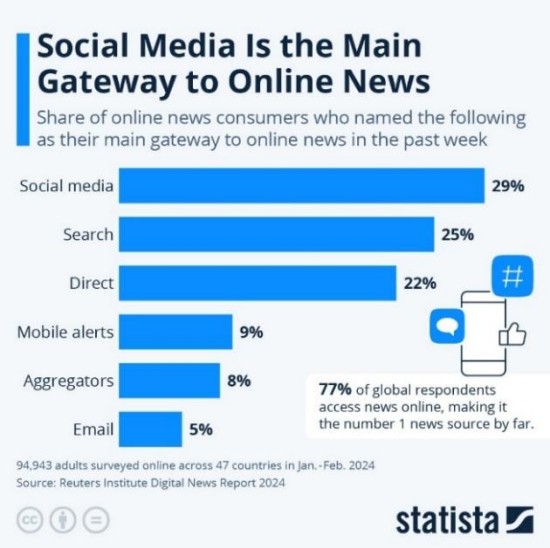


This has been a central issue in the tariff negotiations between Washington and Beijing, highlighting the **dependence** of the US on China, which also dominates the refining of most strategic minerals:

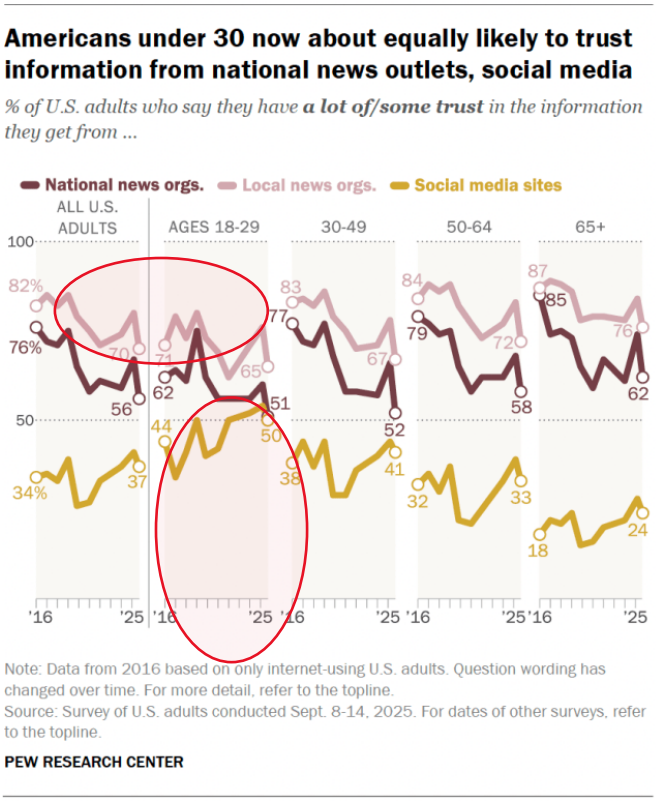


Growing up online: information, trust and mental health

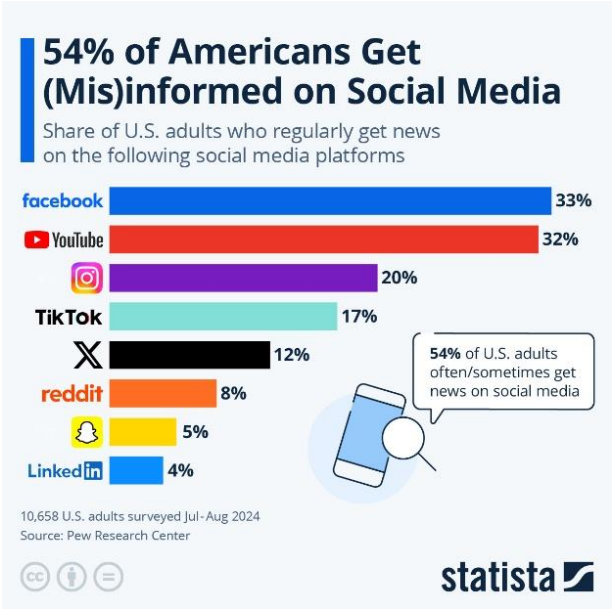
The younger generations also face challenges of a different nature, starting with the influence of social media and the threat of disinformation. **Social media** has become the main gateway to **online news**, according to the Reuters Institute Digital News Report 2024, and **online news** is by far the **leading source of information**, used by 77% of respondents worldwide:



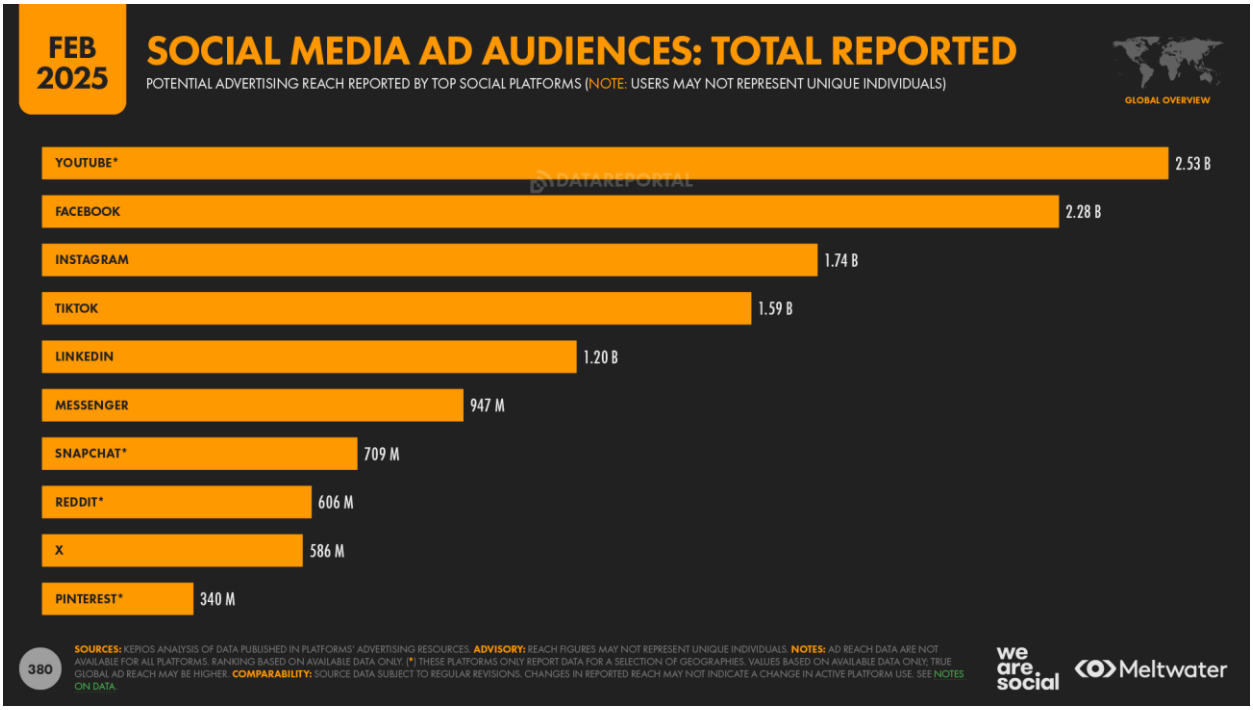
Trust is shifting accordingly. In the US, only around half of adults under 50 have at least some trust in information from the national news media, and **adults under 30** are now about as likely to **trust information** from **social media sites (50%)** as from national news organisations (51%). The contrast with older generations is striking:



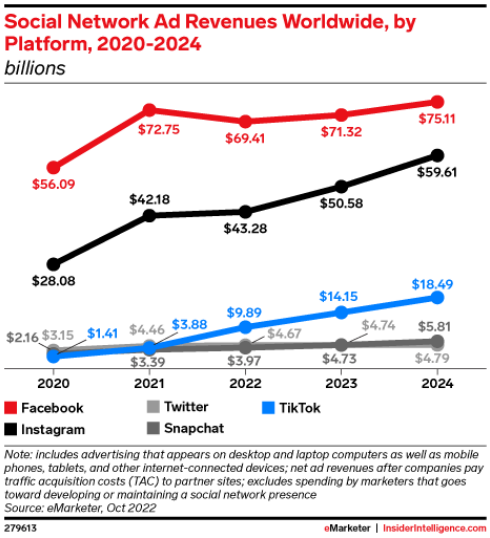
According to the Pew Research Center, 54% of American adults at least sometimes get their news from social media. **Facebook** and **YouTube** are the platforms most regularly used for news, ahead of Instagram and TikTok:



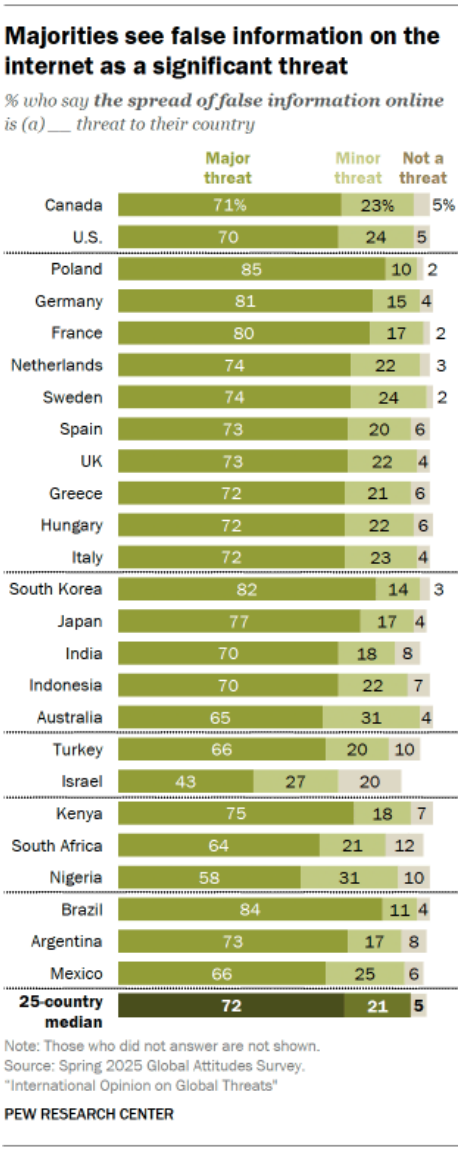
The global reach of these platforms is staggering. According to a Kepios analysis of February 2025, advertising on **YouTube** can reach **2.53 billion** people, ahead of Facebook (2.28 billion), Instagram (1.74 billion) and TikTok (1.59 billion):



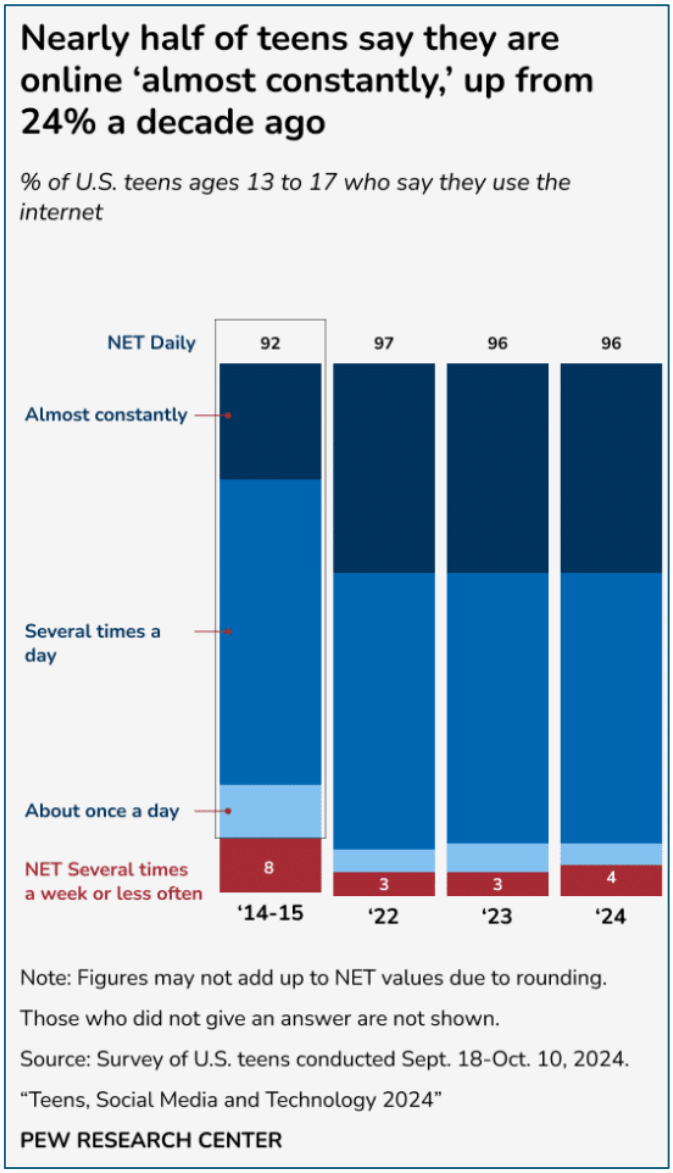
These audiences generate substantial advertising revenues:



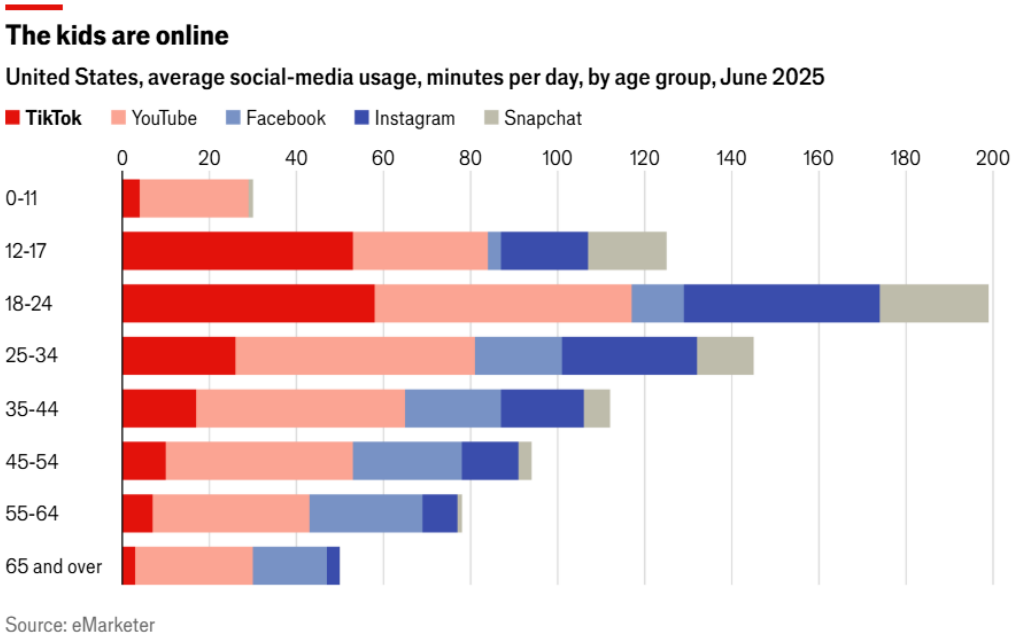
Large majorities are worried about what circulates on these networks. Across 25 countries surveyed by the Pew Research Center, a median of **72%** of adults regard the spread of **false information** online as a **major threat**:



Disinformation is one concern; **addiction**, and its effect on the mental health of the young, may be a greater one. Nearly **half of US teens** say they are **online "almost constantly"**, up from 24% a decade ago:



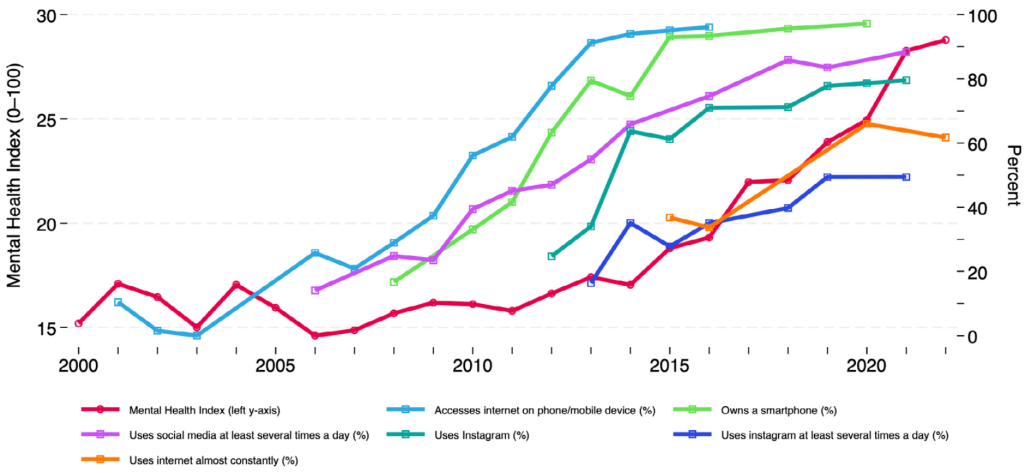
Usage is close to universal. Up to **95%** of 13-to-17-year-olds report using a social media platform and nearly **two-thirds use one every day**, according to the US Surgeon General. In the US, 12-to-17-year-olds spend around **two hours a day** on the five main platforms, and 18-to-24-year-olds more than **three hours**. The threshold matters: adolescents who spend more than three hours a day on social media face double the **risk of mental health problems**. In Europe, Central Asia and Canada, the share of adolescents showing signs of **problematic social media use** rose from 7% in 2018 to 11% in 2022, according to the World Health Organisation:



The **deterioration** in the **mental health of young adults** over the past two decades has coincided with the rapid spread of smartphones, internet access and social media:

Figure 14

Trends in Young Adult (18–21) Mental Health and Smartphone/Social-Media Use



Note: The red line, which corresponds to the left y-axis, represents smoothed estimates of score for young (18–21) U.S. adults on an aggregate index of mental health. Higher values indicate a greater proportion of respondents reporting negative mental-health outcomes, and lower values indicate the opposite. The index was generated using Stimson's (2018) Dyad Ratios Algorithm, which harmonized 85 time series of responses to mental-health measures. All other lines, which correspond to the right y-axis, represent the percentage of young (18–21) U.S. adults who reported using or adopting a given technology/social-media platform. These data were gathered from the Pew Research Center.

Most studies link social media use to adverse mental health outcomes, particularly depression and anxiety. One meta-analysis found that **each additional hour** of daily

use among adolescents was associated with a **13% higher risk** of **depression**. The UK data below show the same gradient, which is much steeper for girls:

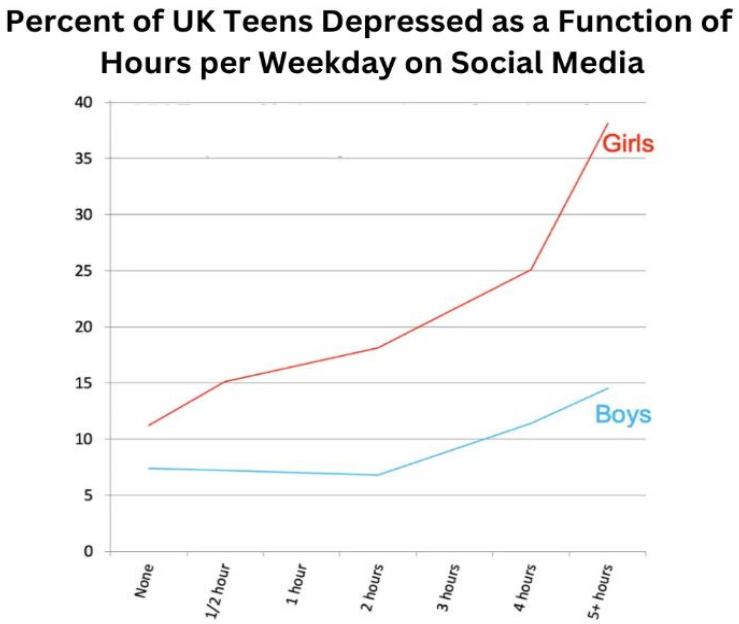
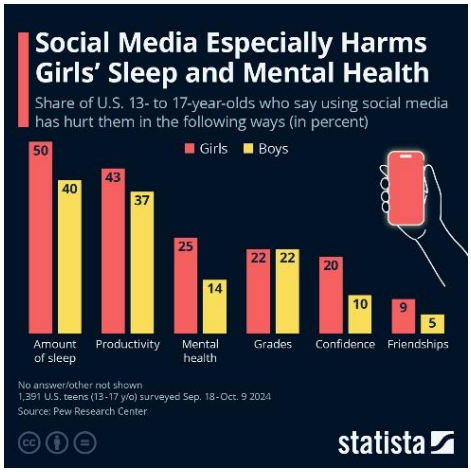


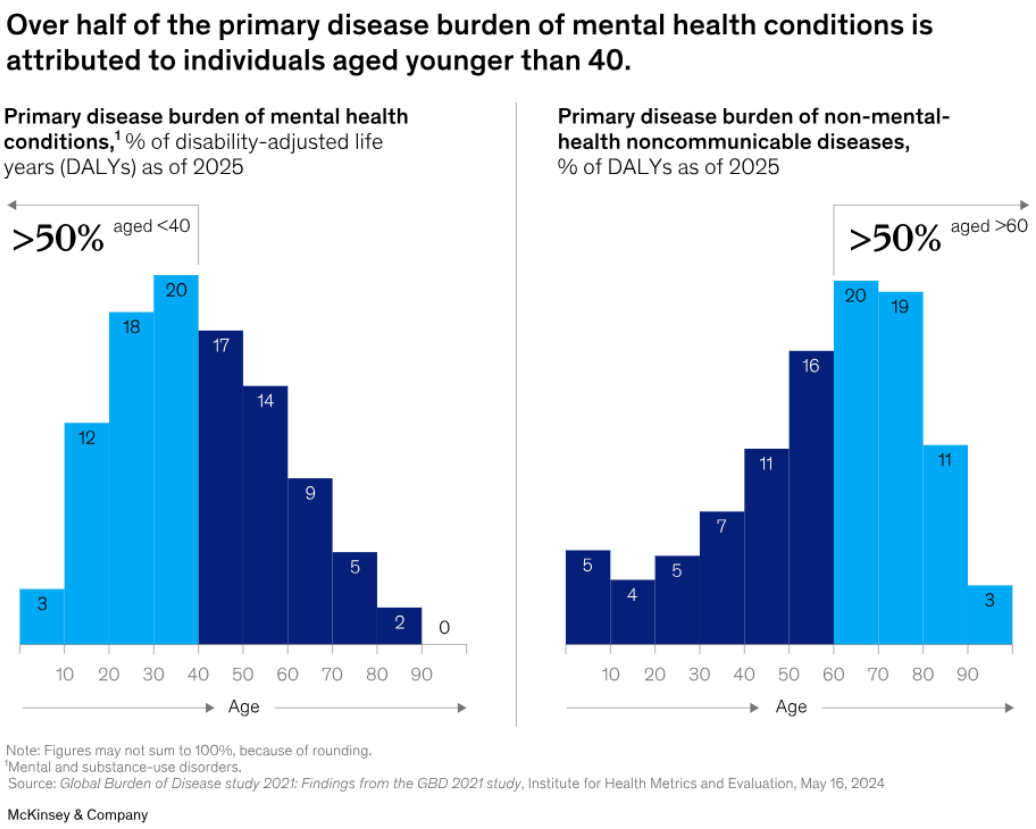
Figure 2. *Percent of UK adolescents with "clinically relevant depressive symptoms" by hours per weekday of social media use, including controls. Haidt and Twenge created this graph from the data given in Table 2 of Kelly, Zilanawala, Booker, & Sacker (2019), page 6.*

Surveys of teenagers themselves point in the same direction. In the US, **46%** of adolescents say social media makes them **feel worse** about their body image, nearly half report having experienced some form of cyberbullying, and **45%** say it hurts the amount of **sleep** they get. **Girls** are more likely than boys to report negative effects on their **mental health** (25% vs. 14%), **confidence** (20% vs. 10%) and **sleep** (50% vs. 40%):

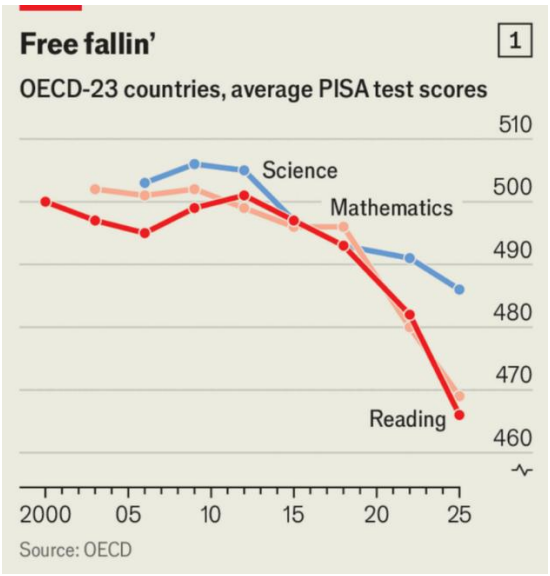


The heaviest users are the most exposed: in a Gallup survey, US teens with the highest social media use (five hours or more a day) were twice as likely as the lightest users to

report suicidal thoughts or self-harm (10% vs. 5%). More broadly, over half of the disease burden of mental health conditions now falls on people under 40:

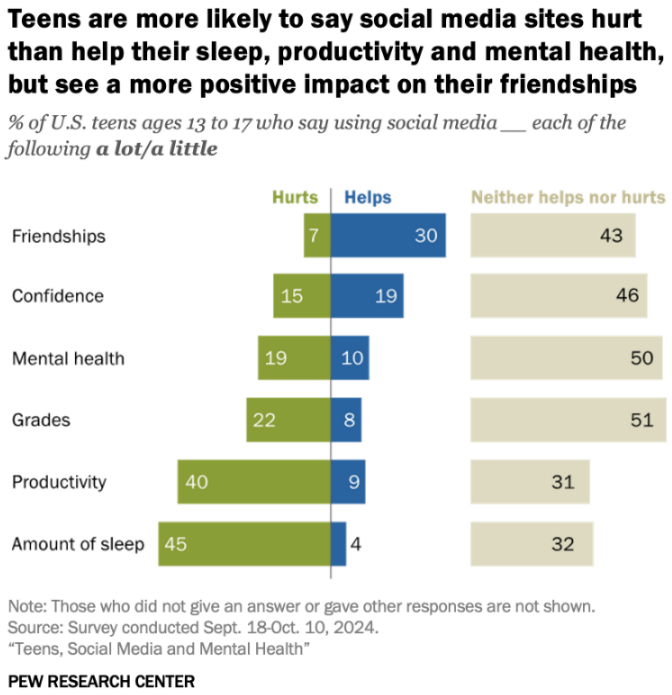


Greater exposure to social media may also be one of the factors behind the significant decline in average **PISA test scores** over the past decade:

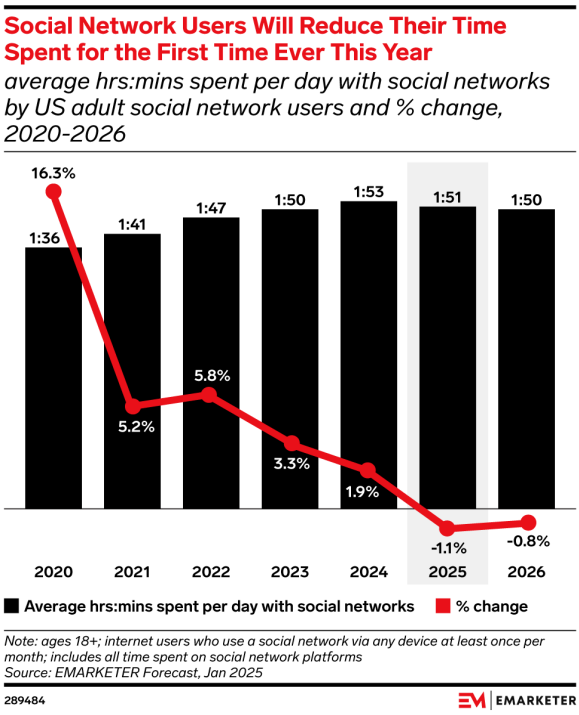


It would be **premature** to draw definitive conclusions about a **causal link** between social media and young people's mental health, but the **correlation** is striking enough to raise serious questions. The picture is not entirely negative, though. A majority of

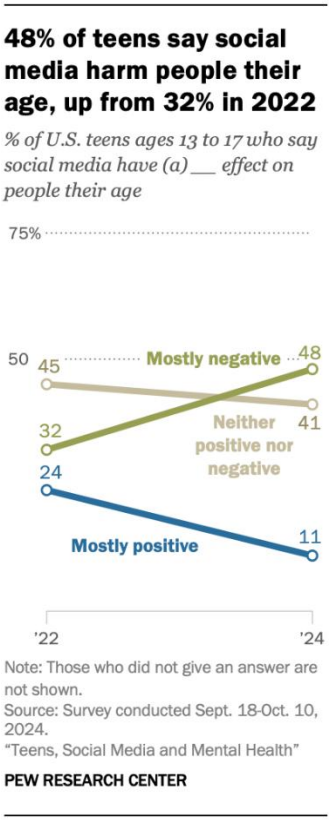
teens say social media helps them feel **more connected to their friends** (74%) and gives them a place to show their creativity (63%). It can be especially valuable for young people from minority groups by enabling peer connection and social support, and 34% of teens use it at least sometimes to find information about mental health. Teens see it as doing more **good** than harm to their **friendships**, but more **harm** than good to their **sleep and productivity**:

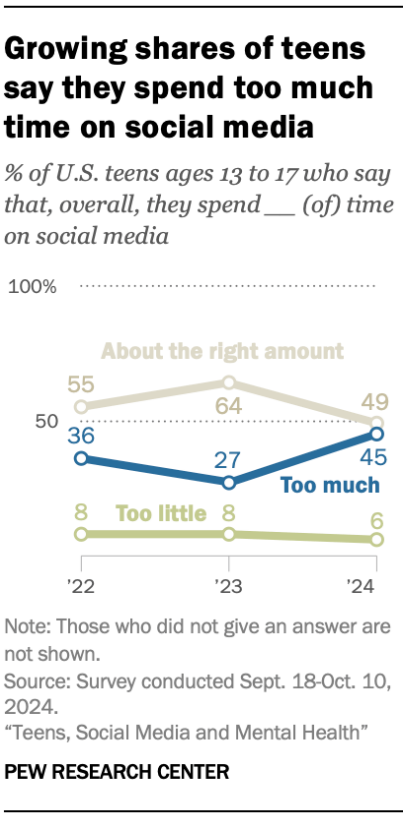


Encouragingly, usage appears to have peaked. Forecasts by eMarketer pointed to the first-ever **decline** in the time US adults spend on social networks in 2025, with a further fall expected in 2026:

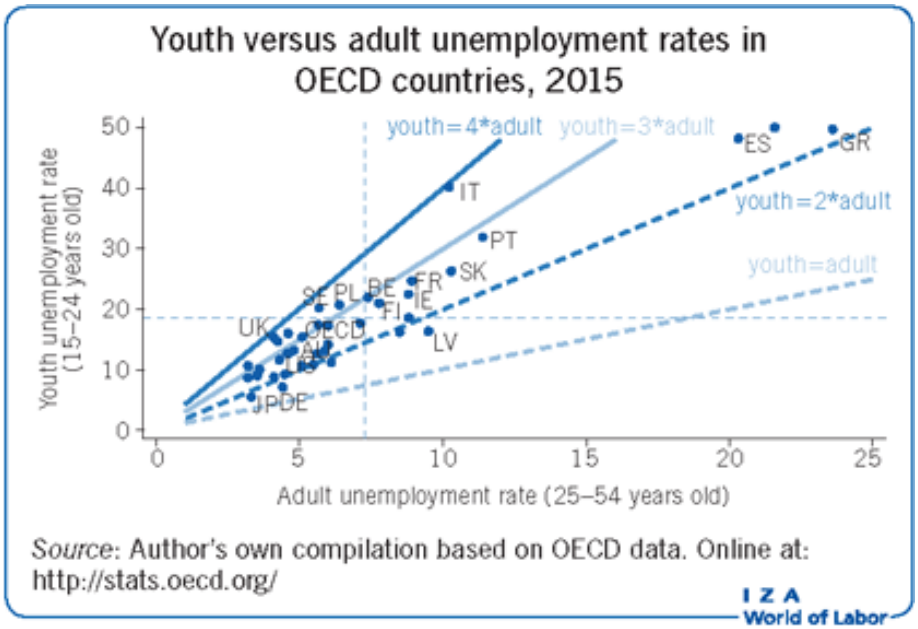


Teens themselves are increasingly aware of the downsides: 48% now say social media has a mostly **negative effect** on people their age, up from 32% in 2022, and a growing share say they spend too much time on it:

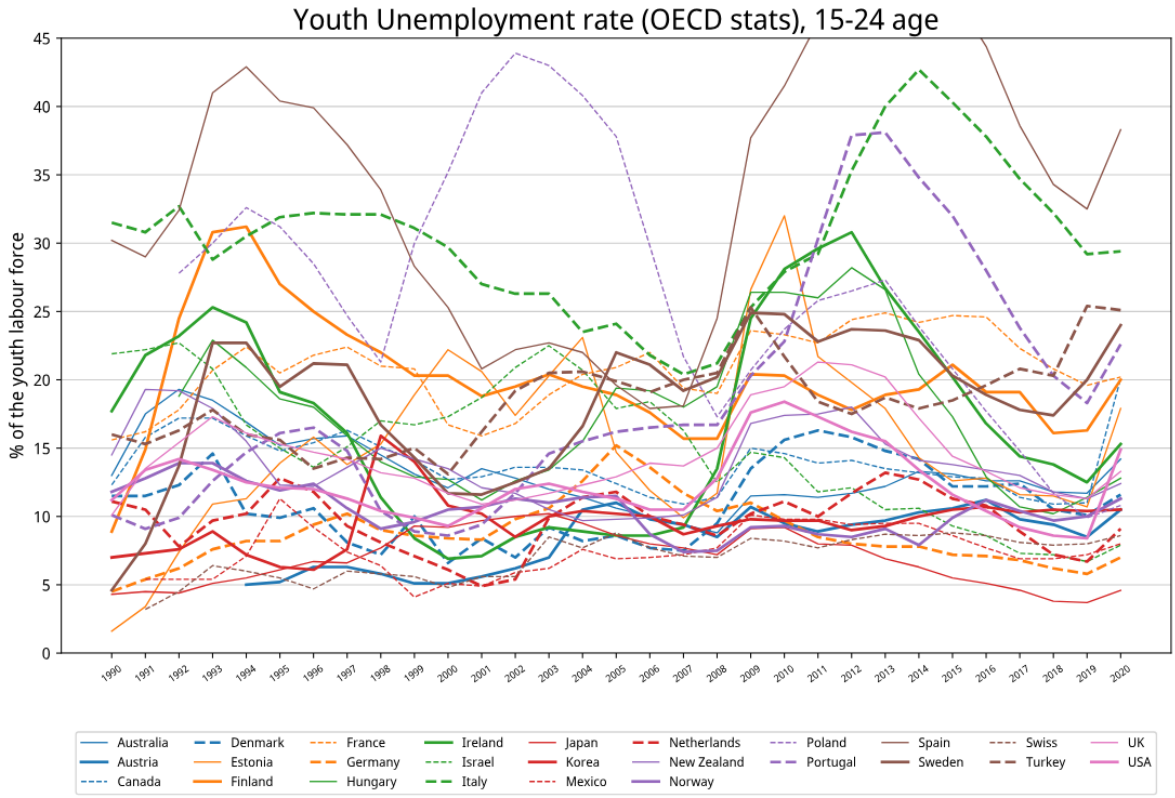




Young adults' prospects also depend on the labour market, where their position remains structurally weaker than that of their elders: across OECD countries, youth unemployment is typically at least double the adult rate:

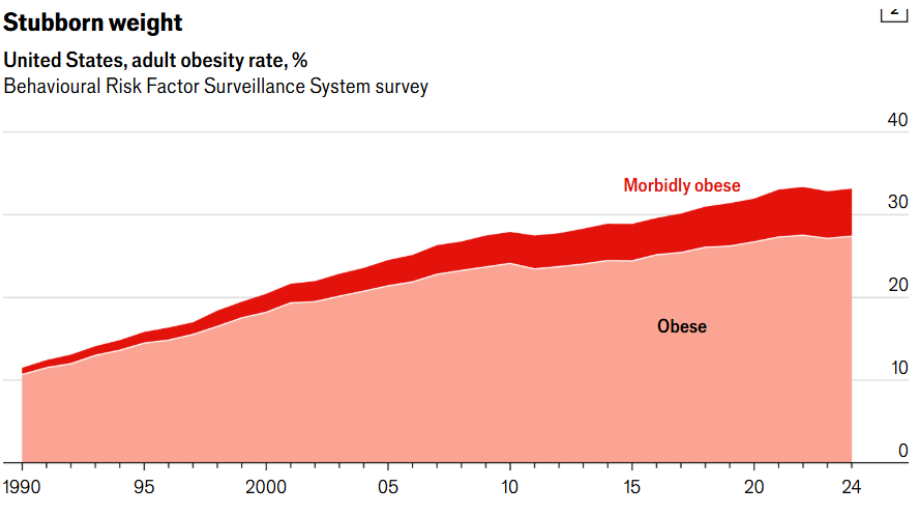


There is, however, no clear **long-term structural increase** in **youth unemployment** across advanced economies. The data instead show **strong cyclical fluctuations**, with peaks during crises (2008–2012, COVID-19) followed by declines, and **marked differences** between **countries**: Japan and Germany, for instance, have very low rates compared with Spain or Italy:

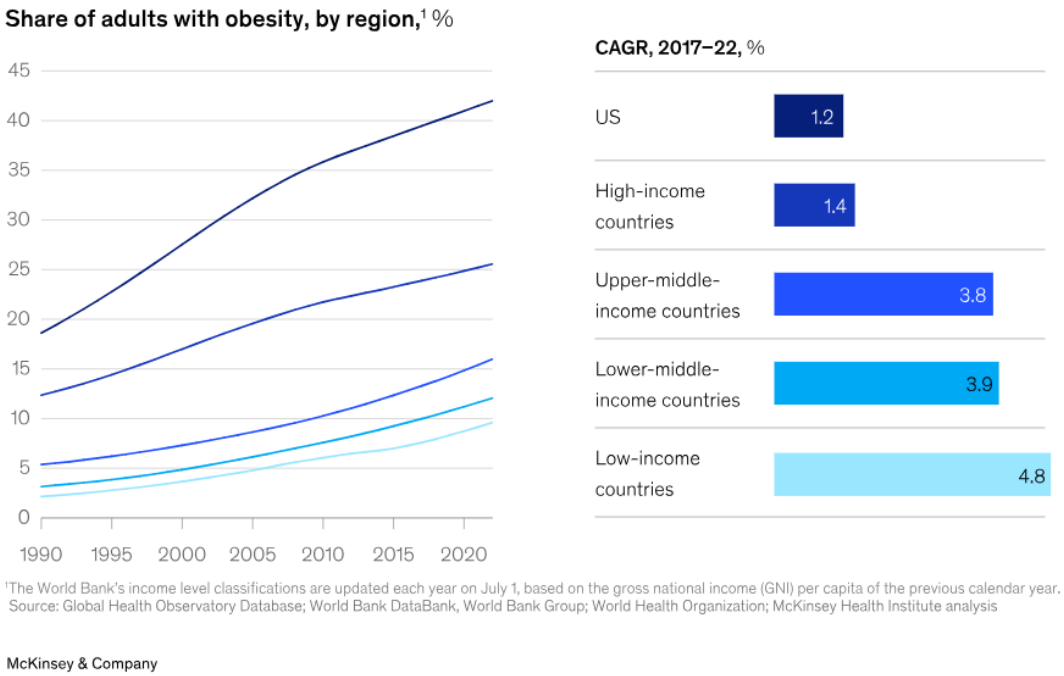


Health: obesity, alcohol and the GLP-1 boom

Turning to physical health, severe **obesity** remains a major concern, particularly in the US. The adult severe obesity rate has risen from about 12% in 1990 to around **one-third**, including some 5% to 6% classified as **morbidly obese**, although it appears to have levelled off since 2022:



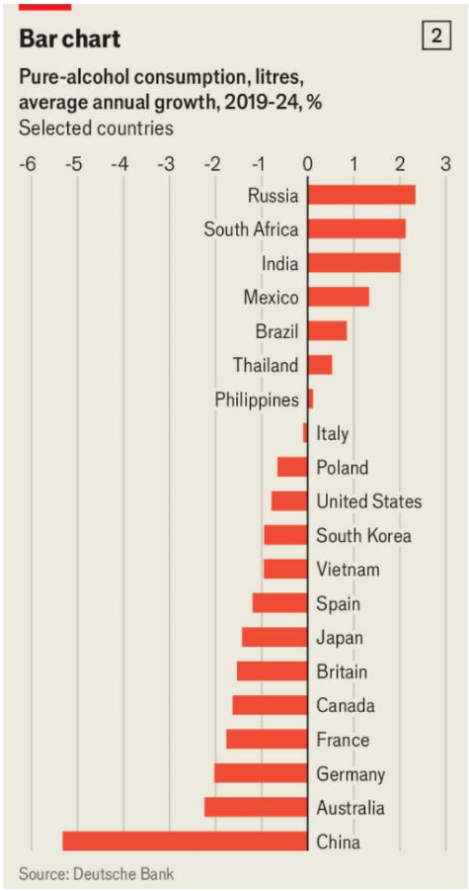
Low- and middle-income countries are less affected so far, but that is where obesity is growing fastest:



[1]The World Bank's income level classifications are updated each year on July 1, based on the gross national income (GNI) per capita of the previous calendar year.
Source: Global Health Observatory Database; World Bank DataBank, World Bank Group; World Health Organization; McKinsey Health Institute analysis

McKinsey & Company

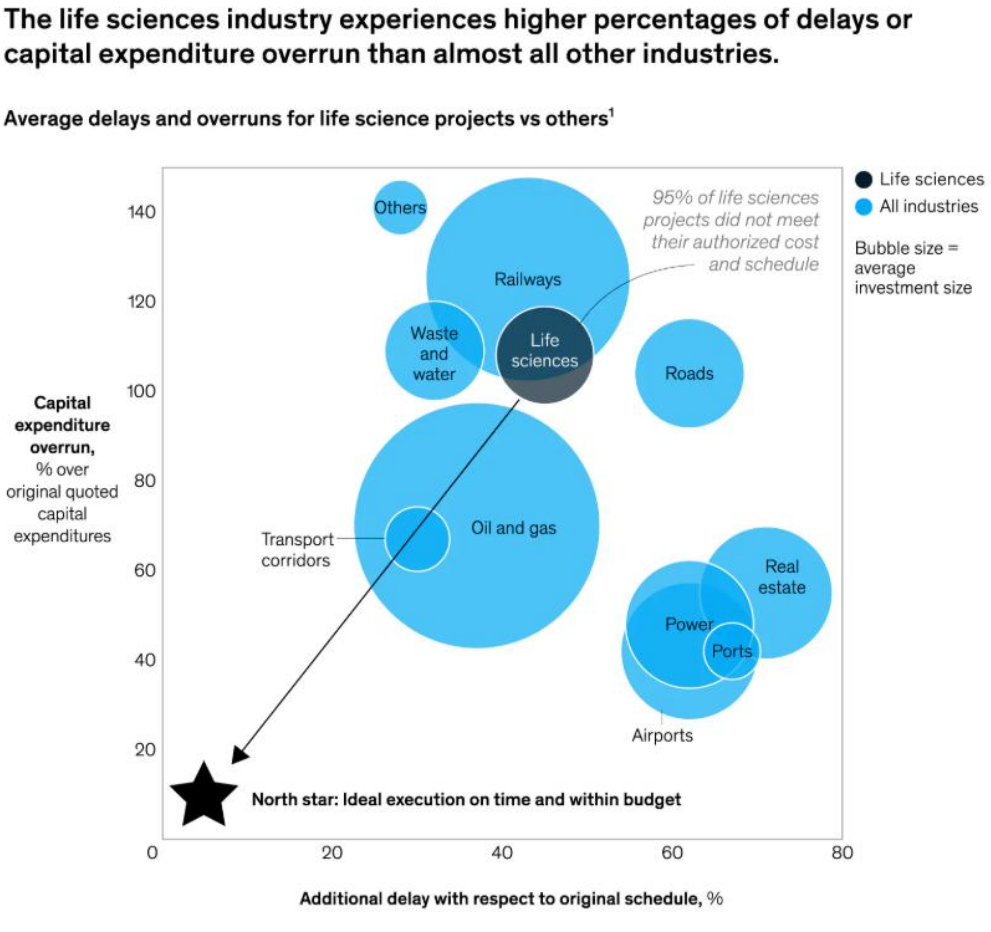
The consumption of **alcohol**, by contrast, has **declined** in most developed countries. Between 2019 and 2024, the sharpest fall was in **China**, at more than 5% a year, followed by Australia and Germany, while consumption rose in Russia, South Africa and India:



The stock market has taken note: the combined **market value** of the West's ten largest listed **drinks companies** has fallen from close to $500bn five years ago to around $320bn:



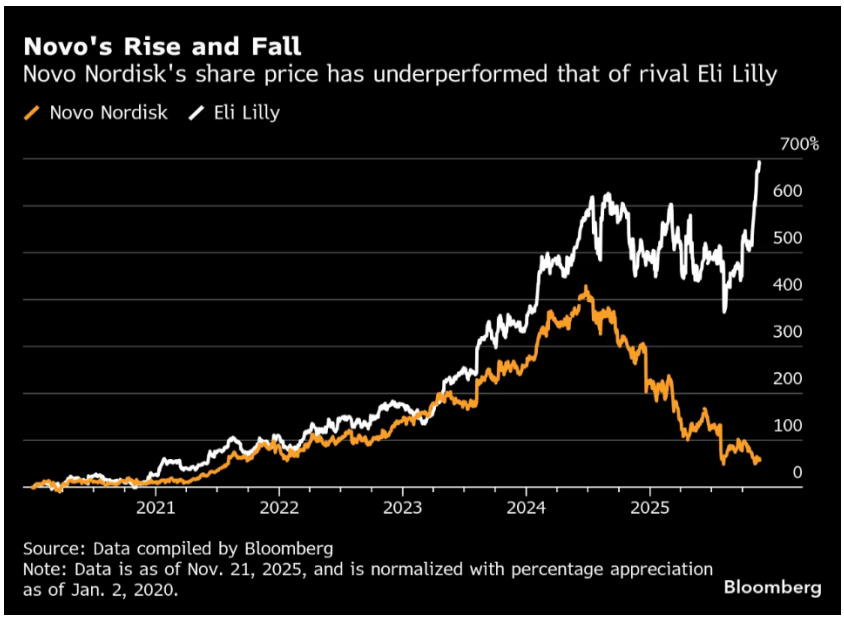
Despite these health concerns, **capital** does not flow easily to the **life sciences industry**, whose projects suffer from longer delays and larger cost overruns than those of almost any other sector:



There are **booming niches**, however. The market for **GLP-1 receptor agonists**, the class of drugs used to treat diabetes and obesity, is expected to exceed $150bn by 2030:



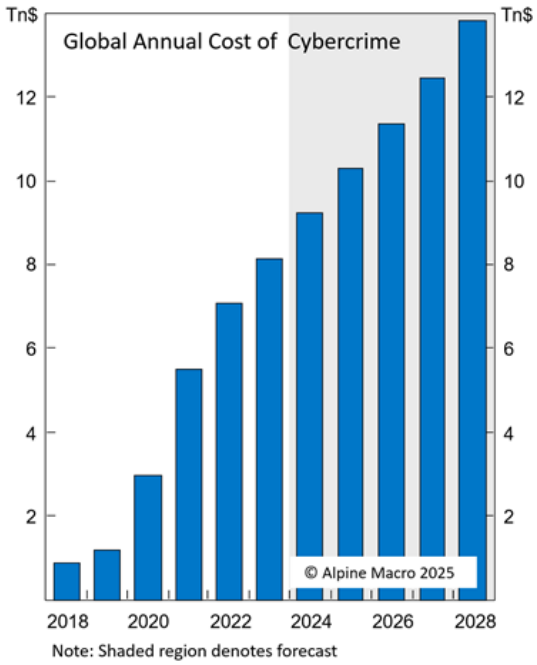
A fast-growing market is **no guarantee of financial success** for all participants, as the contrasting fortunes of Novo Nordisk and Eli Lilly illustrate:



Security: from cybercrime to rearmament

Back in the **digital world**, disinformation and addiction are not the only dangers. **Cybercrime** has become a threat of a different order of magnitude: its annual global cost is estimated at more than $10 trillion in 2025, more than ten times the level of 2018:

Chart 2: Cybercrime Skyrocketing

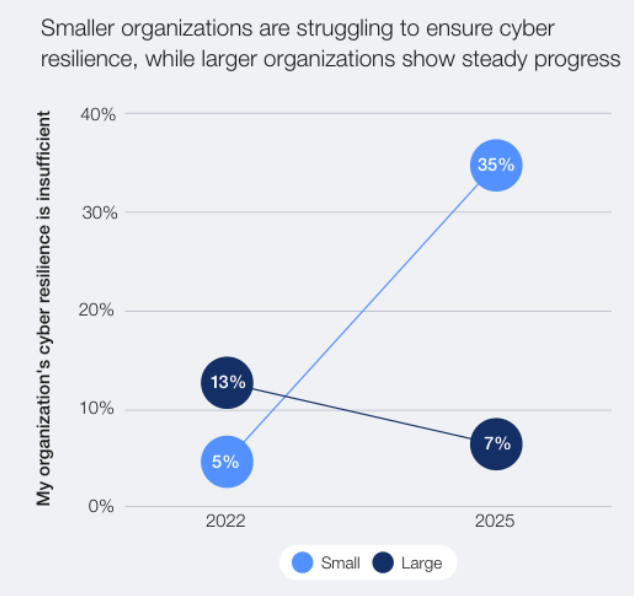


Source: Alpine Macro, Statista Market Insights

The consequences of **data leaks** and the **loss of confidential information** can be severe, and protecting data should be a priority for every organisation. All industries are affected, but manufacturing is the most frequent target of ransomware attacks:



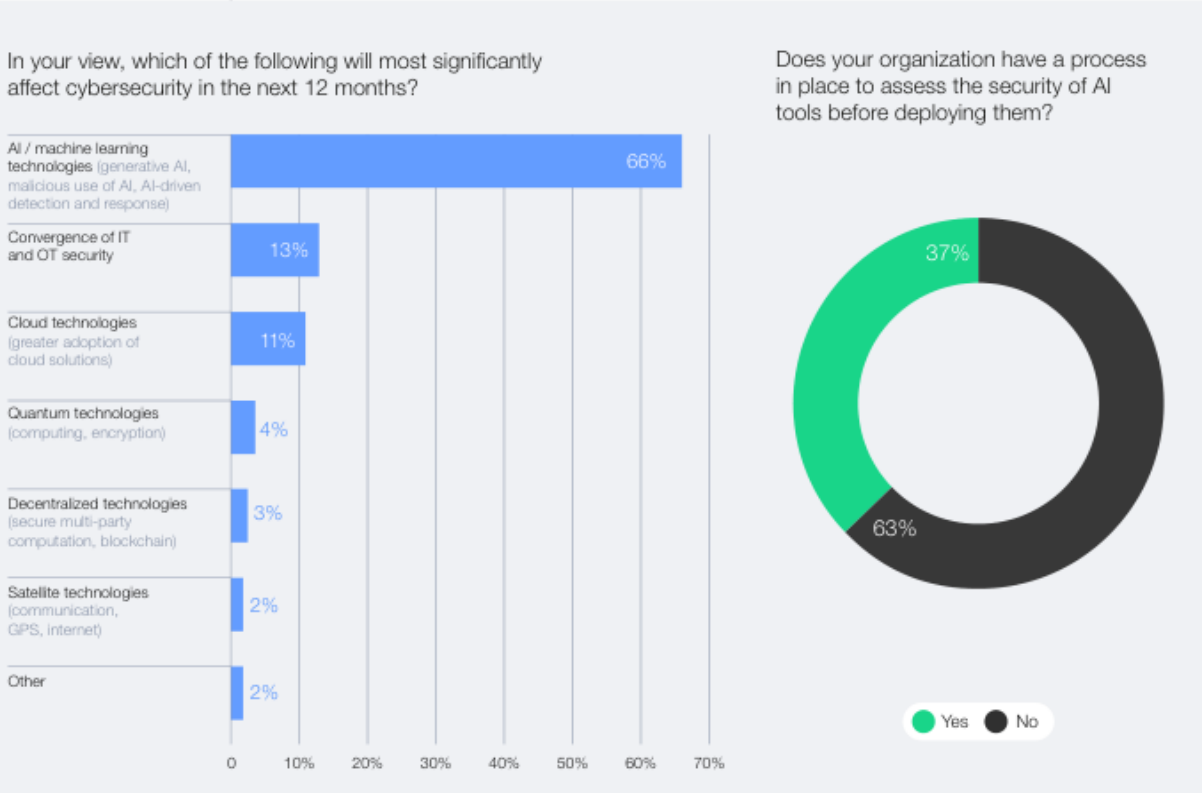
Small organisations are particularly vulnerable. According to the World Economic Forum (WEF), the share of **small organisations** reporting insufficient cyber resilience rose from **5%** in **2022** to **35%** in **2025**, while for **large organisations** it improved from **13% to 7%**:



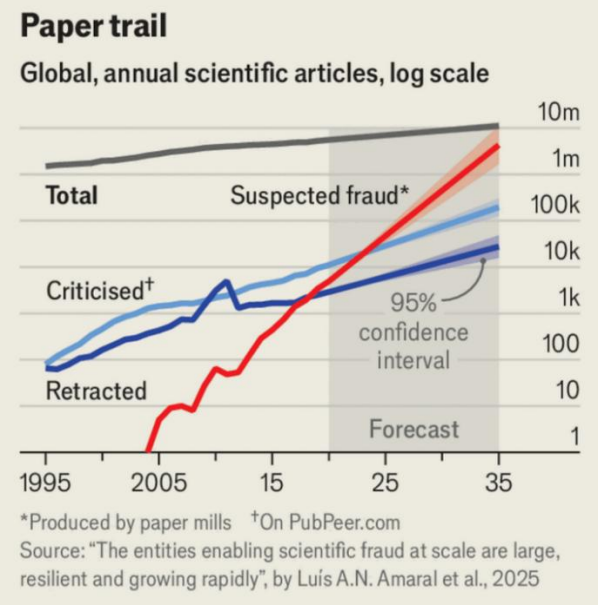
The public sector is also exposed: in the WEF's 2026 survey, **23%** of **public-sector organisations** reported insufficient cyber resilience, against **11%** in **the private sector**.

Strikingly, **AI and machine-learning** technologies were identified by professionals as the development most likely to affect cybersecurity, far ahead of any other, yet only 37% of organisations had a process in place in 2025 to assess the security of AI tools before deploying them:

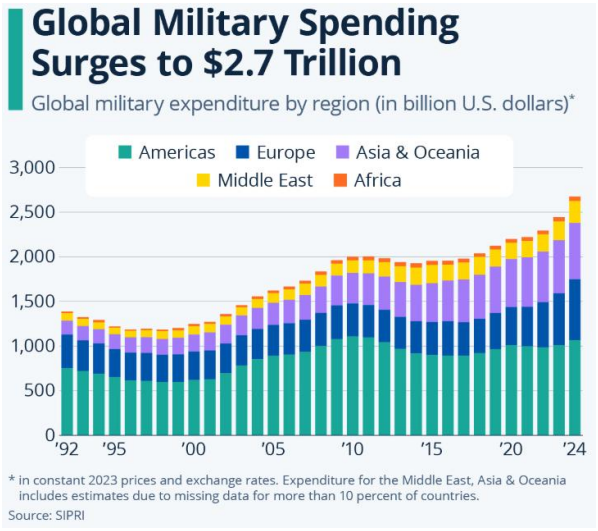
FIGURE 7 | **Cybersecurity vulnerabilities in 2025 predicted by professionals**



The integrity of information is at stake in science too. Suspected fraudulent **research articles**, many of them produced by "paper mills", are growing far faster than scientific output as a whole, a trend that generative AI risks accelerating:

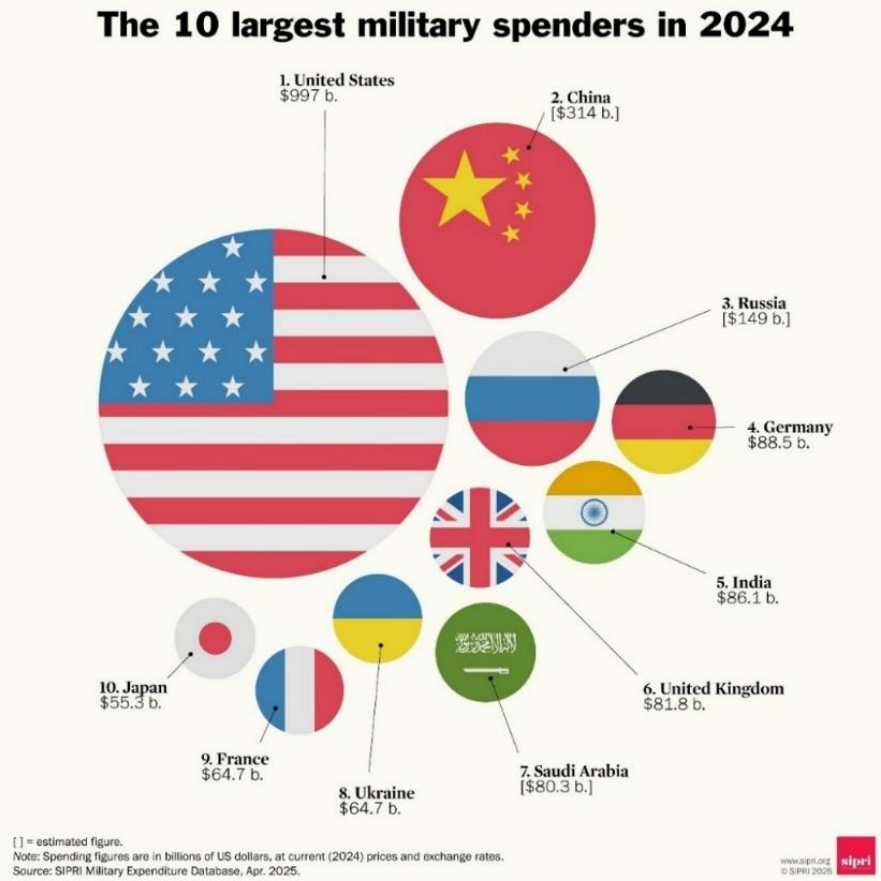


Security threats are not only digital. With armed conflicts multiplying, **defence spending** has reached record levels. According to the Stockholm International Peace Research Institute (SIPRI), global **military spending** reached **$2.7 trillion** in 2024, when more than 100 countries increased their budgets. Europe's spending surpassed the level seen at the end of the Cold War, driven mainly by the war in **Ukraine**; the **Middle East's** rose by 15% to an estimated $243bn amid the war in **Gaza** and the conflict with Hezbollah in Lebanon; and Asia and Oceania recorded their largest annual increase since 2009, at 6.3%. The rise continued in 2025, to almost $2.9 trillion, the eleventh consecutive annual increase:

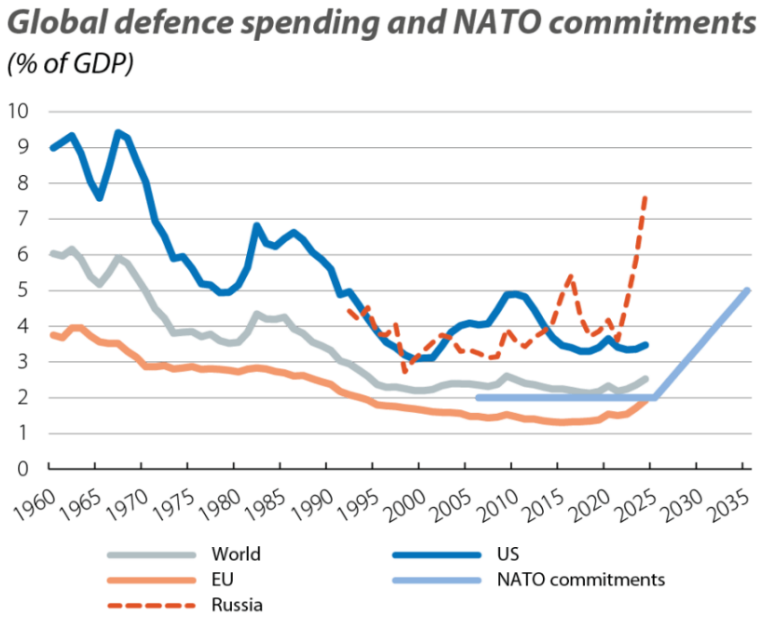


Unsurprisingly, the US is by far the **biggest spender**, with a **defence budget** of almost **$1 trillion** in 2024, and the administration has requested a record **$1.5 trillion** for

fiscal year 2027. **China** comes second with $314bn in 2024, ahead of Russia ($149bn) and Germany ($89bn):



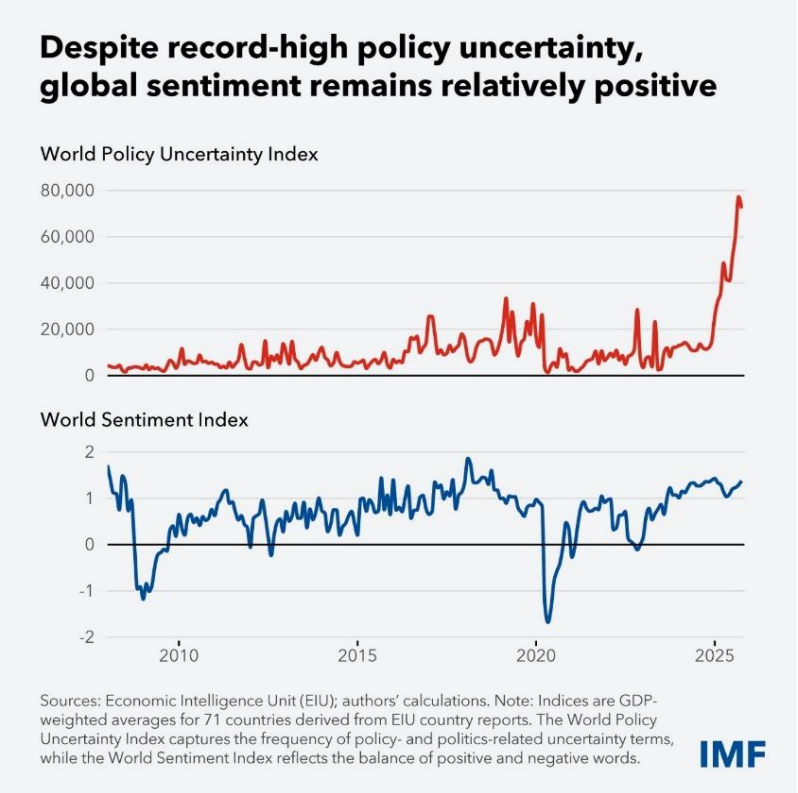
As a percentage of GDP, military spending had been declining for decades, until the war in Ukraine and the pressure applied by Mr Trump on NATO members to raise their contributions reversed the trend:



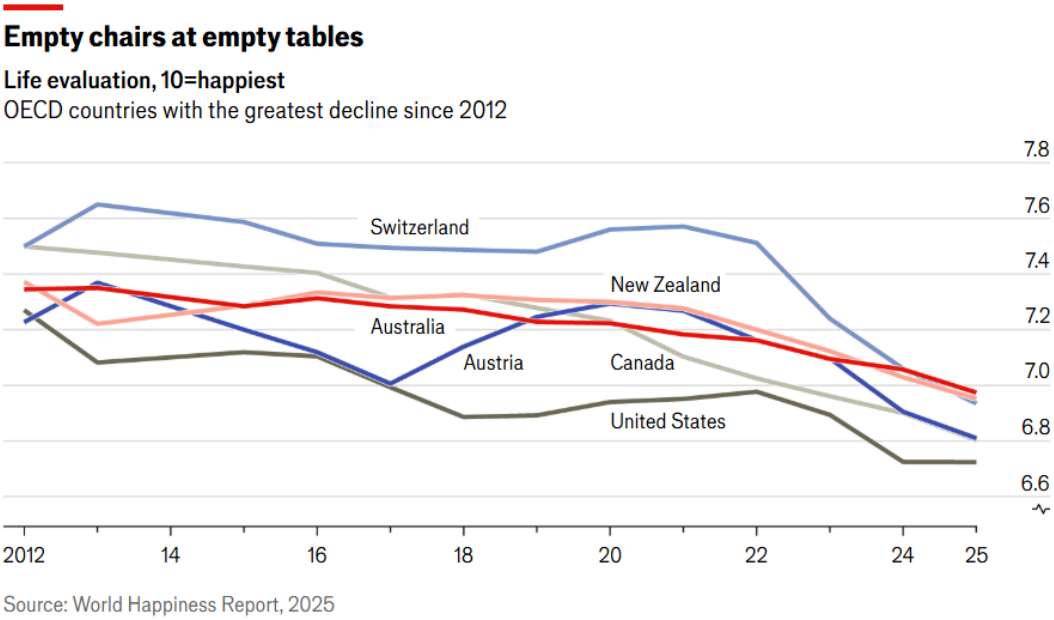
Source: *CaixaBank Research, based on data from the World Bank and SIPRI.*

Happier? Richer? Not everyone

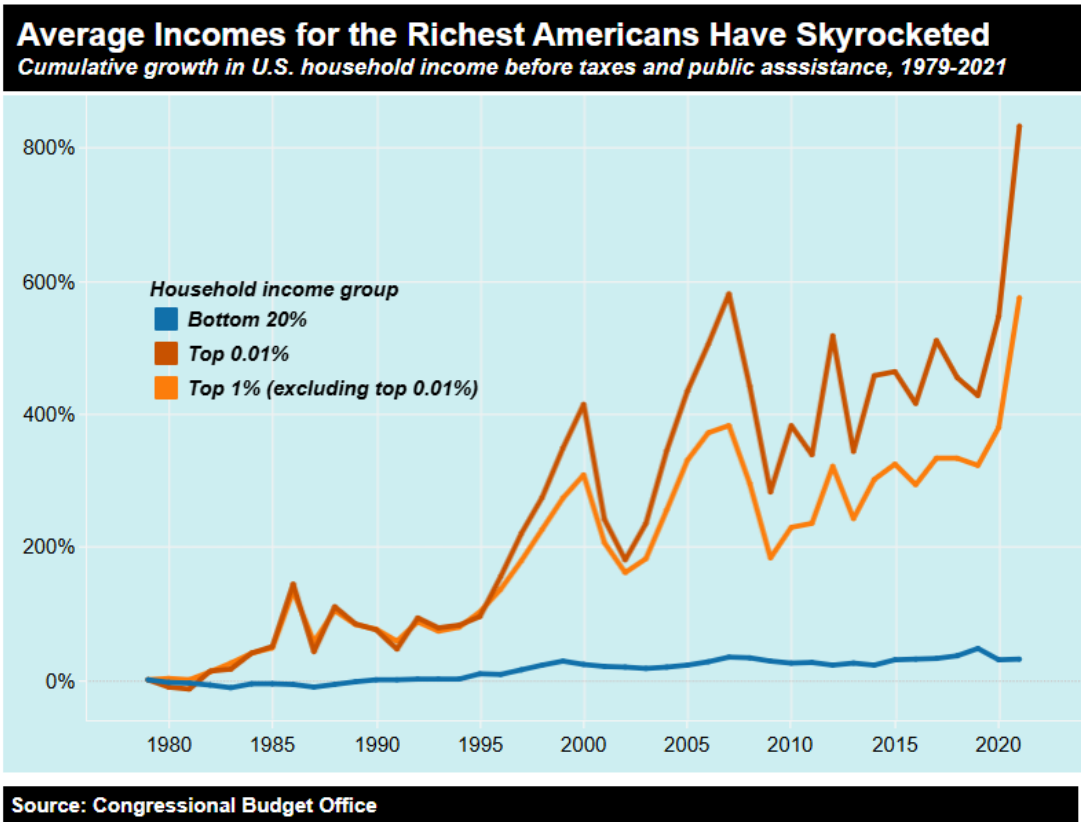
With threats on all sides, from climate hazards and surging public debt to an ageing population, cyber-insecurity and declining physical and mental health, **are people still broadly content**? According to the IMF's World Sentiment Index, which reflects the balance of positive and negative words used in country reports, the answer is **yes**: global sentiment remains relatively positive despite record policy uncertainty:



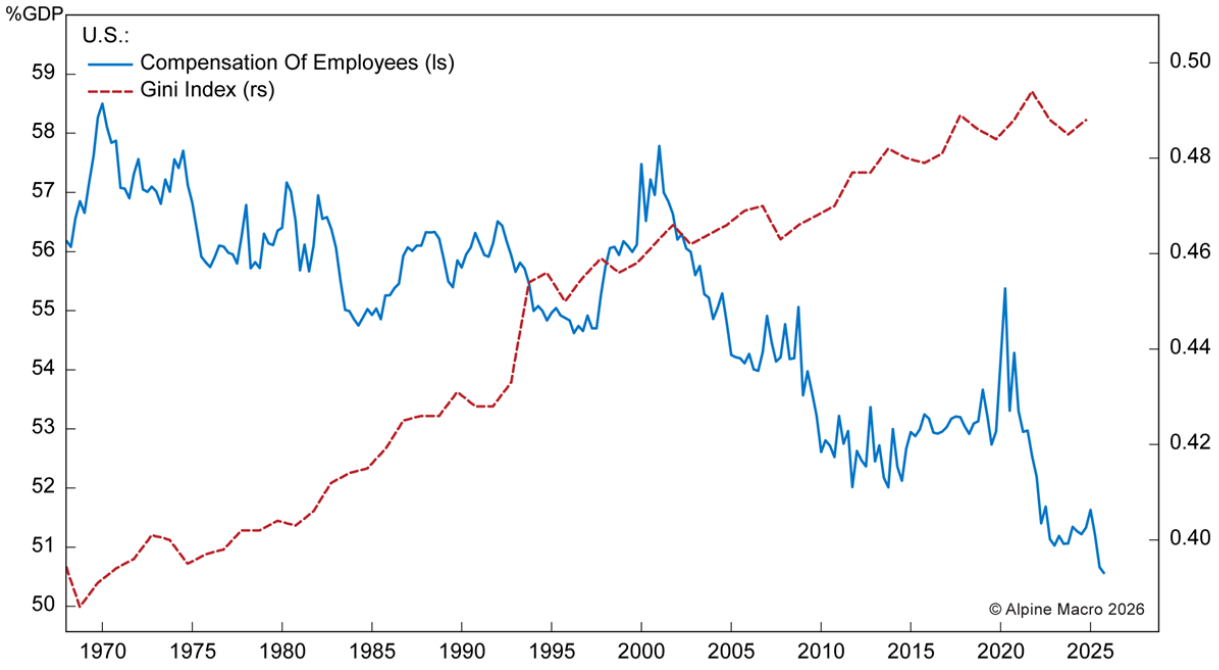
The World Happiness Report paints a **gloomier picture**, however. Several OECD countries show a steady decline in life satisfaction since 2012, and even **Switzerland**, long among the highest-ranked countries, has dropped significantly:



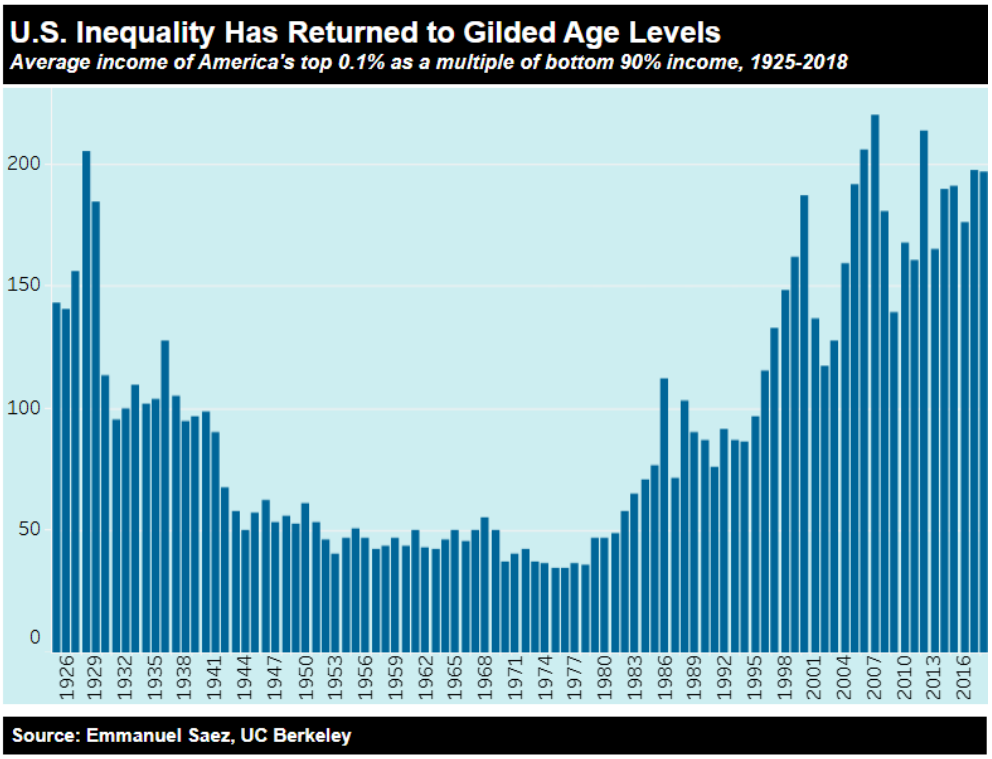
We may not be happier, but **we are richer**, at least on average. More precisely, the rich are getting richer and **inequality is widening**. While the average income of the richest Americans has surged since 1980, that of the bottom 20% has barely moved:



In the US, **employee compensation** as a share of GDP has **fallen** from around 58% in 1970 to about 51%, while **inequality**, measured by the Gini index, has risen steadily:

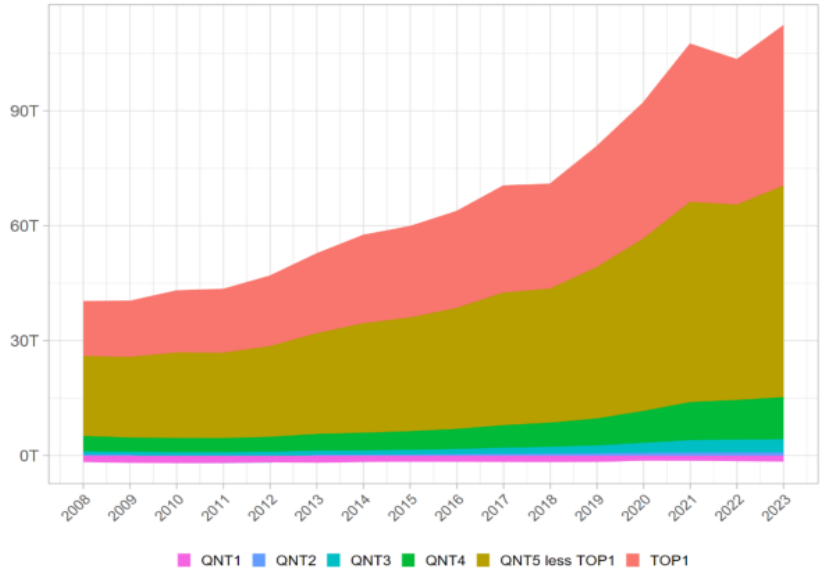


After narrowing in the decades following the Second World War, **inequality** has widened again since the late 1970s, back to levels last seen on the eve of the Great Depression in 1929:



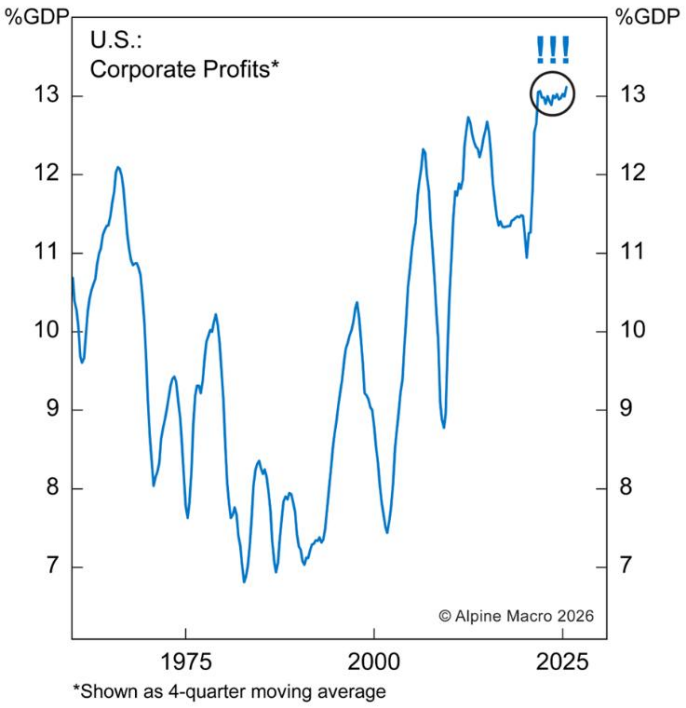
Wealth is even more concentrated than income. The chart below breaks down **US net wealth** by quintile: the **top quintile**, including the **top 1%**, holds circa **90%** of the total:

Figure 5.13. Total net wealth of the United States, decomposed by the top 1% and the five quintiles, 2008 to 2023



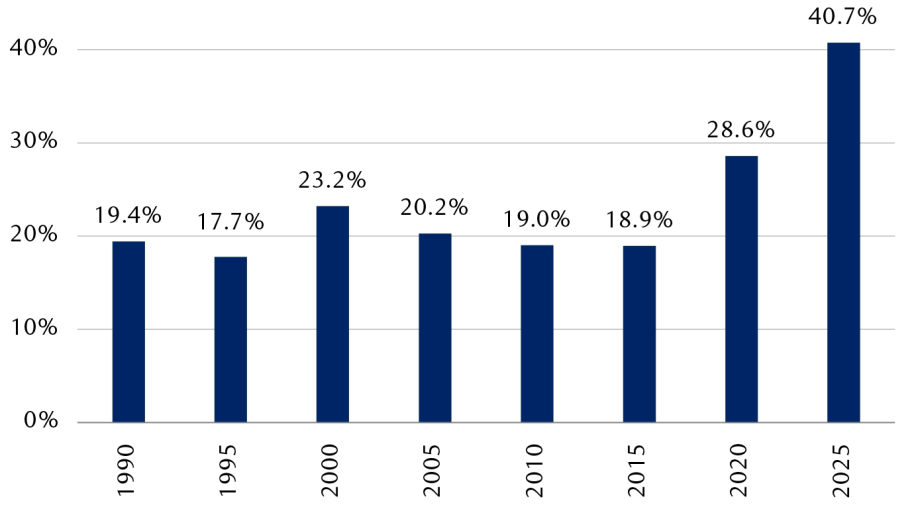
Note: the 2025 EG DHW wealth concept is used, which includes, under assets: currency and deposits (AF.2), debt securities (AF.3), loans (AF.4), equity and investment fund shares (AF.5), insurance and standardised guarantees excluding pension entitlements (AF.6*), financial derivatives and employee stock options (AF.7), other accounts receivable (AF.8), and dwellings and land underlying dwellings. Under liabilities, it includes loans (AF.4), financial derivatives and employee stock options (AF.7), and other accounts payable (AF.8) (see Table 3.2).
Source: OECD.

Companies have fared better than employees. US **corporate profits** have **risen** sharply as a percentage of GDP since 2000, from slightly more than 7% to above 13%, the highest level in more than half a century. According to the Bureau of Economic Analysis, profits from current production amounted to $4.39 trillion (annualised) in the first quarter of 2026, or about **13.8%** of a nominal **GDP** of $31.82 trillion:



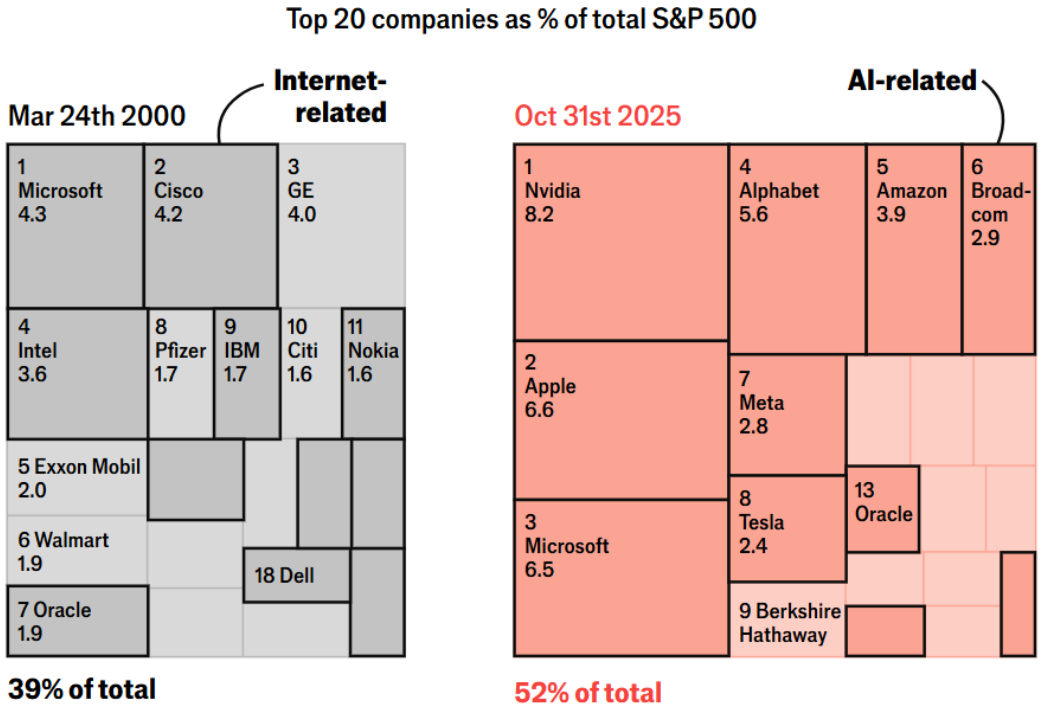
This owes much to the extraordinary contribution of a **small number of corporate giants**, predominantly in the technology sector, such as Alphabet, Microsoft, Apple, Nvidia, Amazon and Meta, which account for a large and growing share of profits.

The **concentration** is even more striking in terms of market capitalisation. The **ten largest** stocks represented **41%** of the S&P 500 **at the end of 2025**, and 32% of its earnings, compared with 23% in 2000:



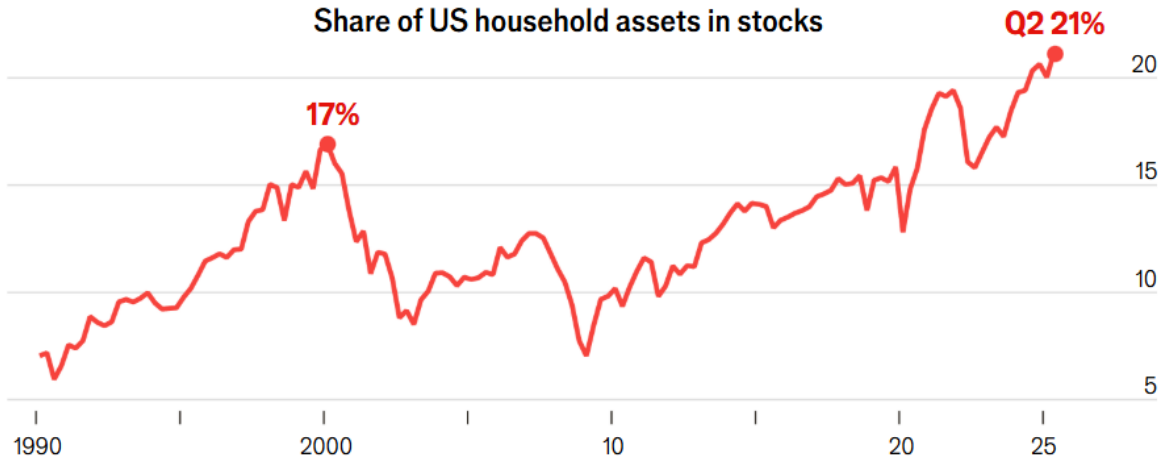
Source – RBC Wealth Management, FactSet; data as of 12/31/25 and reflects year-end weighting for each year

Such concentration raises the **spectre of a bubble** forming around the technology sector and companies related to artificial intelligence. The twenty largest companies now make up 52% of the index, against 39% at the peak of the internet bubble in March 2000:

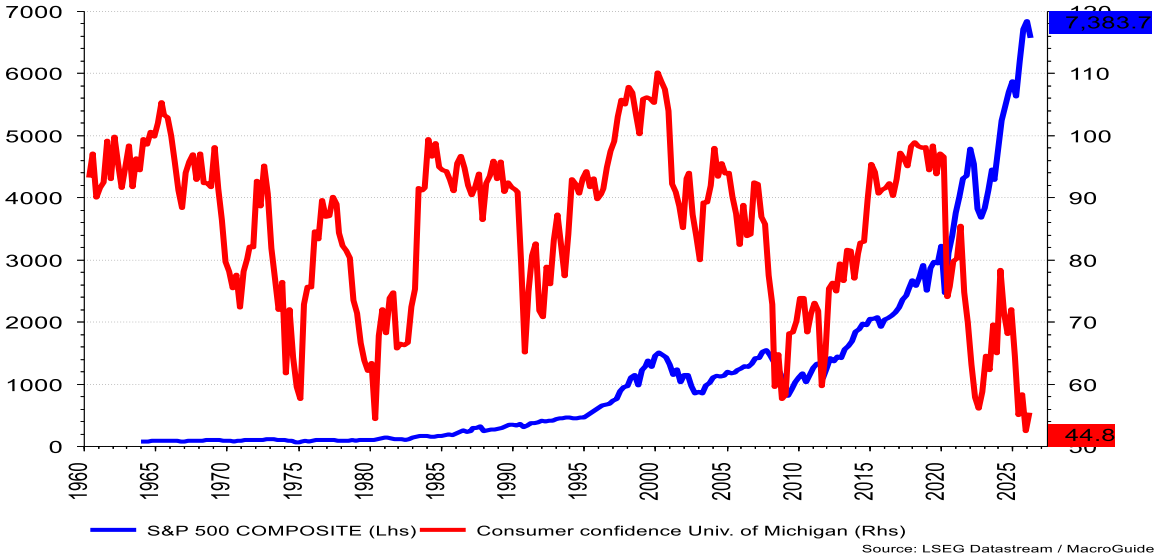


The Economist

This is all the more of a concern as **US households** have never been so exposed to equities: stocks represent a record **21%** of their assets, or about $42 trillion:

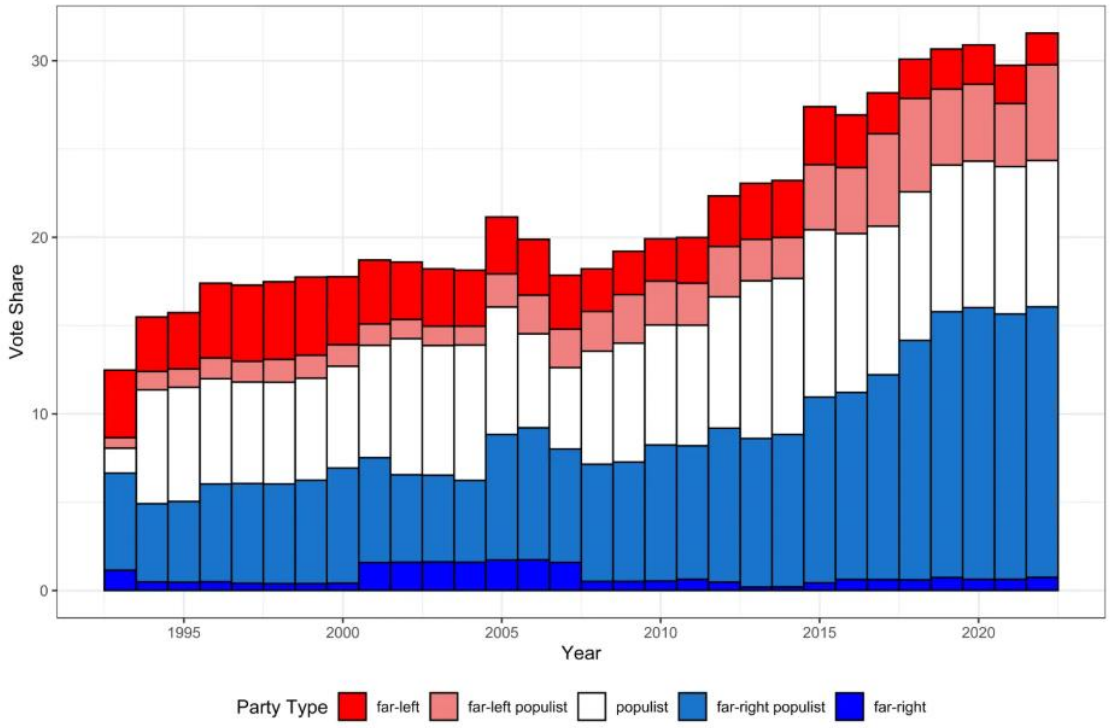


Yet while financial markets have been reaching new highs, **consumer confidence** has been sinking to new lows, a sign of a certain malaise about the current environment:



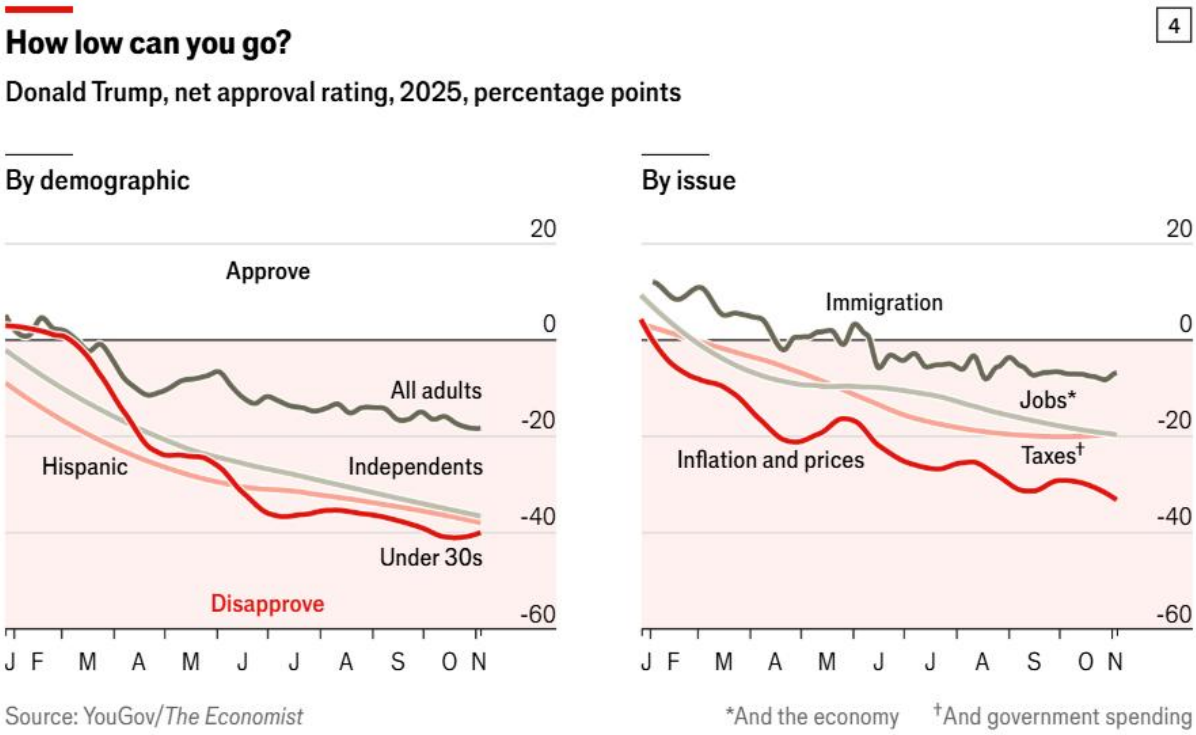
A polarised political landscape

This malaise is reflected in the **political landscape** of developed countries, with a **polarisation of votes** and the **rise of the extremes**. In Europe, populist, far-right and far-left parties have more than doubled their combined share of the vote since the early 1990s, to around a third:



Vote shares of (1) far-left, (2) far-left populist, (3) populist, (4) far-right populist, and (5) far-right parties in 31 European countries, weighted by population size.

In the US, Mr Trump's approval rating declined steadily through 2025, most sharply among younger voters, where his net approval fell to around –40 percentage points. The midterm elections of 3 November confirmed the trend, with the Democrats winning control of both chambers of Congress:



Politicians will bear a **heavy responsibility** for **shaping our future**. The list of issues is long: the ageing of the population and its financial burden, global warming and its consequences, the surge in public debt, the revolution brought about by AI and the question of how to regulate it, the protection of our physical and mental health, and the growing number of conflicts and security threats.

Voters are watching closely and are prepared to sanction those in power, as the shift in the US Congress has just shown, while the narrow re-election of President Lula in Brazil is a reminder of how evenly divided electorates have become. **2027** will bring **several consequential** elections and policy milestones, starting with the **French** presidential election on 18 April and 2 May, followed by general elections due in Italy and Poland and, in the autumn, the 21st National Congress of the **Chinese** Communist Party. Argentina will also elect its president and renew part of its Congress in October. Other **critical developments** will include the war in Ukraine, the conflict in the Middle East, tensions over Taiwan, divided government in the US, with its implications for fiscal, regulatory and tariff policy, and of course the trajectory of artificial intelligence and its dominant players.

One thing is certain: 2027 will not be dull.

A social crisis in the making?

The charts in this compendium do not point to a single breaking point. They point to a **slow accumulation of strains** that fall, to a large extent, on the same shoulders. A shrinking working-age population is being asked to fund more pensions and more healthcare, to service record public debt, and to pay for both the energy transition and the damage caused by a changing climate. It is asked to do so while it is more anxious, less trusting of institutions and of information, and holds a smaller share of income and wealth than the generations before it.

None of this is **inevitable**. Productivity gains from AI and automation, longer and healthier working lives, well-managed migration and the wealth that will pass between generations over the next two decades could all lighten the load. Each, however, requires **political choices** that are becoming harder to make in polarised societies with little fiscal room. Our answer is therefore a **qualified yes**: what is in the making is less a sudden crisis than a **renegotiation of the social contract** between generations, and the terms on which it is settled will shape economies and markets for decades.

We hope you have found this compendium of charts enriching, although we are aware that it makes for a dense read. In our next edition, we intend, among other things, to look more closely at some of the most pressing questions raised by artificial intelligence: its impact on employment and the wider economy, and the daunting prospect of AI systems capable of improving themselves and, eventually, escaping human control.

As always, we remain at your disposal should you wish to discuss it in more detail, and we would be glad to hear your thoughts.

We thank you for your continued trust and support.

With our best wishes,

Your Research Team

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